NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 40 July 7, 1934

CATTLE DISEASE CONTROL PROGRAM GETS STARTED

Emergency cattle disease control with funds provided by the La Follette amendment to the Jones-Connally Act is to include an immediate start toward eradication of Bang's disease, the Agricultural Adjustment Administration announced. Emergency testing for tuberculosis has already started. Of the 50 million dollars made available by this amendment for emergency relief purchases of beef and dairy products and disease control work, the Administration has made an initial allotment of 3 million dollars for Bang's disease control. The work will be carried on by the Bureau of Animal Industry with funds allotted by the Agricultural Adjustment Administration, under rules and regulations to be prescribed by the Secretary of Agriculture. Proposed maximum indemnities in the Bang's disease program are the same as those in the tuberculosis eradication work- $20 a head for grade animals and $50 for pure-breds. The owner of cattle reacting to the Bang's disease test will receive the Federal indemnity plus whatever salvage value may be obtained upon slaughter of the animals, providing however, that the total of both may not exceed the appraised value.

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REDUCED FREIGHT RATES EXTENDED TO DRY AREAS

Freight rate reductions covering shipments of livestock and feed for the drought areas have been extended to August 4. These reductions, authorized by the Interstate Commerce Commission, and made by the railroads serving the drought area, were to have expired July 5.

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TO APPEAL INJUNCTION ON MILK LICENSE

The Agricultural Adjustment Administration announced that the Department of Justice has authorized an appeal from injunctional order by Judge John E. Barnes of the United States District Court in the Chicago milk license case of Edgewater Dairy Company, Joliet Dairy Products Co., Anton Michalek, Joseph Wagner, Sr., I. L. Lantz Dairy Co., Barnel Selmer, and Bennie Natzke, against the Secretary of Agriculture and others, as soon as such order is entered. An appeal will be taken. The Government will move for a stay of the injunctional order pending the final decision by Circuit Court of Appeals. The injucntional order affects only the parties to this case and no other. All other licensees under the Chicago license are still bound by the terms and conditions of their license.

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CLING PEACH AGREEMENT GETS FINAL APPROVAL

A marketing agreement, effective for one year, for the California cling peach canning industry was approved and became effective at noon, July 6. It will restrict tonnage that may be canned, with a proportionate limitation affecting each grower.

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CORN-HOG PROGRAM
PAYMENTS OVER 7 MILLION

Corn-hog adjustment payments through June 30 total $7,055,048.30. These payments represent 59,967 checks on early payment contracts and 4,230 checks on regular payment contracts from a total of 15 States. Iowa corn-hog producers, many of whom elected to sign early payment contracts and who were first to submit forms for payment, now have received a total of $4,807,709.55. Minnesota producers have received $988,314.20 and Missouri, $889,327.25. Total payments thus far to other States are as follows: Wisconsin, $11,560.80; Washington, $85,079.50; South Dakota, $57,612.55; Indiana, $44,050.60; Ohio, $28,627.05; Nevada, $14,636.00; Alabama, $13,350.05; West Virginia, $8,557.20; Maryland, $2,636.00; Virginia, $2,230.35; Michigan, $680.00 and Arkansas, $677.20. About two million dollars now have been paid on regular payment contracts which have been retained in the States of origin until final checking and adjustment of figures could be completed. The majority of the corn-hog contracts are of the regular payment type and after any necessary adjustments have been made must be signed a second time by the contracting producer. Altogether, 247 counties have thus far submitted to the Administration for approval and payment a total of 65,136 early payment contracts and 57 counties thus far have submitted 20,452 regular payment contracts. No forms have yet been received from the important corn-hog producing States of Kansas, Nebraska, and Illinois. A number of county allotment committees within those States have finished their adjustment work and have been authorized or shortly will be authorized to prepare contracts for the final signature of producers.

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1934 COTTON PAYMENTS
NOW OVER 28 MILLION

Rental payments to farmers cooperating in the Agricultural Adjustment Administration's 1934 cotton adjustment program totaled $28,498,207.45 on July 2. These payments are part of the estimated 100 million dollars in rental payments for the approximately 15 million acres taken out of cotton production this season. The work of paying the first 50 million dollars under the two-installment payment plan is now more than half completed. The second 50 million dollars will be paid between August 1 and September 30. In addition to rental payments, cotton growers also will receive a parity payment of between 25 and 30 million dollars next December. Payments through July 2 by States are: Alabama, $3,136,693.85; Arizona, $132,022.86; Arkansas, $3,101,587.79; California, $340,897.82; Florida, $67,214.64; Georgia, $2,987,353.46; Kentucky, $19,331.20; Louisiana, $1,781,886.44; Mississippi, $3,452,714.68; Missouri, $173,613.32; New Mexico, $209,574.99; North Carolina, $989,090.10; Oklahoma, $511,525.12; South Carolina, $2,308,008.92; Tennessee, $570,834.04; Texas, $8,658,531.16; and Virginia, $57,327.06.

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NAVAL STORES HANDLERS
MARKETING PACT HEARING

A public hearing on a proposed marketing agreement for the factors and distributors of crude gum, cleaned gum, gum turpentine and gum rosin will be held at the Mayflower Hotel, Jacksonville, Fla., on July 9. The proposed agreement provides that no factor or distributor shall purchase, market, ship or in any manner handle crude gum, cleaned gum, gum turpentine or gum rosin, unless there is attached to the package an identifying stamp or tag in accordance with the provisions of the marketing agreement and license for gum turpentine and gum rosin processors.

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PLANS TO ADMINISTER KERR-SMITH TOBACCO ACT

Plans for administering the Kerr-Smith Tobacco Act, announced by the Agricultural Adjustment Administration, provide for an ad valorem tax at the minimum rate of 25 percent, the full tax exemption of six percent permitted under the Act to non-contracting growers, and for regulations and instructions to field workers upon whose recommendations allotments will be made to non-contracting growers. The tax of 25 percent of the market value will be applicable on all tobacco produced this season by growers who do not receive tax-payment warrants either under production adjustment contracts or by allotments made to non-contracting producers, except in the cases of Maryland tobacco, Virginia sun-cured, and cigar-leaf. Prior to March 1, 1935, it will be necessary to conduct a referendum among the growers of the different types of tobacco to determine whether they want the tax applicable in 1935-36 to their type of tobacco. In fixing the tax rate at the minimum allowable under the law, the Administration took into consideration the fact that the 1934 crop of tobacco was practically all planted when the Act was passed. The Act authorizes a rate of 33-1/3 percent of the market value unless the Secretary of Agriculture determines and proclaims a lower rate. Growers whose production adjustment contracts have been accepted or are accepted during the 30-day extension of the voluntary sign-up authorized under the Act will be issued tax-payment warrants covering their contracted poundage without the necessity of making application for these warrants. All the information necessary for the issuance of these tax-payment warrants is contained in the contracts. The 30-day extension of the sign-up campaign ends July 28. In order to secure an allotment, it will be necessary for non-contracting growers to make application upon forms to be provided by the Secretary. All applications for allotments must be recommended by the county committee and approved by the county agent before the Secretary will issue tax-payment warrants. These warrants will not be issued to any non-contracting grower unless it is impossible to give him an equitable allotment under a tobacco production adjustment contract.

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SUGAR BEET GROWERS TO GET BENEFIT PAYMENTS

Following conferences of Agricultural Adjustment representatives in the beet sugar areas last week, the Secretary of Agriculture announced that the Adjustment Administration will require that sugar growers, to be eligible to receive benefit payments, must deal fairly with labor. The initial benefit payments this year to sugar beet growers signing adjustment contracts will total more than 10 million dollars. As a condition to receiving the benefit payments, growers will be required to enter into firm contracts with laborers in those districts in which written contracts are customarily used, with the further condition that all obligations under such contracts with labor must be met when due. The adjustment contract will provide that the rate of payment to labor is to be fair and equitable. The benefit payments are to be made by the Agricultural Adjustment Administration to those growers who comply with the conditions in the adjustment contracts, including those drawn for the protection of labor. Failure to comply with the labor provisions will be considered grounds to disqualify growers from receiving the benefit payments. The Agricultural Adjustment Administration has determined upon a first payment on a basis that means more than one dollar per ton on the production allotted to the individual growers. In the established beet areas, allotments will be made on average past production. Hence the payments will serve as crop income insurance for farmers in the drought areas, and will increase substantially the assured income of the beet growers in 1934. Contracts will be offered the growers within the next few months and payment will be made upon acceptance of contracts by the Secretary of Agriculture.

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TOBACCO WAREHOUSE CODE GET APPROVAL

Tobacco sold by auction and loose leaf warehouses is to be handled under a code of fair competition designed to enable the industry to eliminate many trade practices considered detrimental to the best interests of warehousemen and growers. The code was signed by the President and becomes effective July 9. It provides for slowing down the rate of sale of ungraded tobacco on the auction warehouse floors to a maximum of 360 piles or baskets an hour, and the rate of tobacco graded in accordance with United States grades to not more than 375 piles or baskets an hour. On some markets tobacco heretofore has been sold as fast as 400 piles or baskets an hour. The code allows farmers at least 15 minutes after an auction sale in which to reject a bid. It further provides that all tobacco offered for sale shall be weighed by a licensed weighman and that scales shall be tested daily during the marketing season. It provides that buyers shall pa for the tobacco on the basis of its weight at the time it is taken from the warehouse floor rather than on the basis of its weight after it has been transported to the factory. Safeguards against discrimination among growers are also provided. Other code provisions govern charges for selling, soliciting tobacco, speculation, and sales practices. The code fixes minimum hours and wages for employees of auction and loose leaf tobacco warehouses and bars employment of persons under 16 years of age in these warehouses. It will be supervised by a code authority representative of tobacco growers and warehousemen.

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GINNERS ADVISED ON BANKHEAD COTTON ACT

Cotton ginners throughout the Cotton Belt were advised by the Agricultural Adjustment Administration that there will be very little "red tape" connected with their responsibilities under the Bankhead cotton Act. The Administration based its statement on an interpretation of the Bankhead Act in relation to ginners prepared for it by the Bureau of Internal Revenue. This showed that the procedure allowed under the law is extremely simple. Numerous ginners who have misunderstood the provisions and operation of the Bankhead Act have complained recently about the "red tape" which they feared would be connected with its administration. The Act levies a tax of 50 percent of the average central market price, per pound of lint cotton, on all cotton ginned above the 10,460,251 bales of 478-pound net weight fixed as the maximum to be ginned tax-free. Bale tags are to be issued to ginners who will attach them to all cotton ginned this season when the producer surrenders tax-exemption certificates covering the amount of the cotton ginned, or when he pays the tax. While these bale tags must be stored safely, the Act does not require them to be kept in a safe. The same office equipment used for safekeeping gin records under lock could be considered, in the judgment of some ginners, a safe storage place for bales tags. The Act requires an affidavit from producers who wish to take their ginned cotton home, store it, and postpone payment of the tax. This affidavit may be sworn to without cost before any county agent or county or community committeeman. Many ginners had the erroneous impression that these affidavits must be sworn to before a notary public. Representatives of the Bureau of Internal Revenue will visit gins monthly and administer oaths free of charge in the case of gin returns. Gin operators also are required to give bond for the performance of their responsibilities under the Act but the Bureau of Internal Revenue has advised the Administration that two individual sureties will be acceptable on any such bonds. This means that any property owner with sufficient unencumbered property may go on a ginner's bond.

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10 MILK LICENSES FOR MICHIGAN

Farmers selling milk to dealers and distributors in 10 urban sales areas of Michigan are assured of minimum prices through licenses issued by the Secretary of Agriculture which became effective July 1. In each of the milk sales areas the licenses seek to stabilize or increase prices to producers. The sales areas covered by the licenses are Ann Arbor, Bay City, Battle Creek, Flint, Kalamazoo, Grand Rapids, Lansing, Muskegon, Port Huron, and Saginaw. By means of these ten licenses and the license previously in effect at Detroit, the Agricultural Adjustment Administration is in a position to aid in stabilizing fluid milk markets for a major portion of the volume of milk used in direct consumption in Michigan. The ten areas included in the new licenses have a combined estimated population of over 900,000 and the estimated annual production by 5,600 producers for these markets amounts to 25,376,490 pounds of milk monthly. Minimum prices payable to producers by distributors are contained in each of the licenses. At Ann Arbor and Flint the Class 1 milk price, f.o.b. distributor's plants, is $1.95 per 100 pounds of 3.5 percent milk. At Saginaw, Bay City, Port Huron, Kalamazoo, Battle Creek, Grand Rapids, and Muskegon the Class 1 price to producers is $1.85 per 100 pounds on the same basis. At Lansing the Class 1 price is $1.75 per 100 pounds. In all markets but four, Kalamazoo, Battle Creek, Grand Rapids, Muskegon, the prices to producers for class 2 milk, that used for sweet cream, is 3½ times the average qotation for Chicago 92 score butter plus 30 percent. In the cities named the Class 2 premium over Chicago butter is a straight 35 cents per 100 pounds instead of the percentage premium. In all markets alike the Class 3 price to producers for milk used in manufactured dairy products is based on 3½ times the Chicago 92 score butter price plus 10 percent.

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FORT WAYNE, IND. GETS MILK LICENSE

Stabilized prices for producers of milk and improved market conditions are the objectives of a license for the milk sales area of Fort Wayne, Ind., which became effective July 1. Minimum prices to producers for 4 percent milk f.o.b. distributor's city plants are contained in the license. Class 1 milk will bring producers $1.85 per 100 pounds. The Class 2 milk price is based on the average quotation for Chicago 92 score butter times the fat test plus 30 percent plus 20 cents per 100 pounds. Class 3 milk, or that in excess of milk and cream requirements, will bring producers a minimum of the Chicago 92 score price times the fat test plus 10 cents per 100 pounds.

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ALAMEDA COUNTY GETS NEW MILK LICENSE

A new license for the Alameda County, Calif., milk sales area which simplifies a number of the provisions of a former license and seeks to bring more direct benefits to producers, became effective July 1. The former license for the Alameda County milk shed was cancelled at the time the new license became effective. The new license contains minimum proces to producers. In addition, it contains a limited schedule of minimum resale prices on milk and cream, below which distributors may not sell at wholesale or retail to consumers. Sales made to recognized welfare and unemployment relief agencies and Government institutions are exempt from the minimum prices. Under the license, producers will receive 56 cents per pound of butterfat in milk used as Class 1. For Class 2 milk used to produce cream for direct consumption, producers will receive the average price per pound of 92 score San Francisco butter plus 30 percent of such amount, plus 11 cents premium per 100 pounds. For Class 3 milk, or milk purchased and used in excess of the other two classes, producers will receive the same butter market price plus 10 percent, plus 4 cents premium per 100 pounds. The Class 1 price to producers is equivalent to $1.96 per 100 pounds for 3.5 percent milk.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 41 July 14, 1934

1934 COTTON PAYMENTS EXCEED 30-MILLION MARK

Rental payments to farmers cooperating in the Agricultural Adjustment Administration's cotton acreage adjustment program have passed the 30 million-dollar mark of the first 50 million-dollar instalment. As of July 11, checks numbering 811,660 and totaling $30,301,061.01 had been sent out. Practically all rental contracts, except those from Oklahoma, are now in Washington. In a number of states, the first payment is virtually complete. As soon as the first payment is out of the way, checks will begin to move out on the second 50 million-dollar rental instalment. In addition to the 100 million dollars in rental payments, cotton farmers next December will receive a parity payment of 20 million to 30 million-dollars.

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GUM ROSIN, TURPENTINE PRODUCERS' LOAN

The Reconstruction Finance Corporation has made a 6 million-dollar commitment to the Commodity Credit Corporation, upon the recommendation of the Agricultural Adjustment Administration, for loans to producers of gum turpentine and gum rosin who signed the industry's marketing agreement. Loans will be on warehouse receipts issued by acceptable warehouses and representing gum turpentine and gum rosin of the crop produced in 1934 and within the producers' allotments made under the marketing agreement.

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SOUTHEASTERN POTATO AGREEMENT APPROVED

A marketing agreement for early potatoes grown in Florida, Georgia, South Carolina, North Carolina, Virginia, and Maryland, amended as regards its provisions for representation on a proration committee, has been finally approved by the Secretary of Agriculture. This is the first agreement in the potato industry. The agreement, in 1934, will affect only North Carolina, Virginia, and Maryland, the districts that have signed it. It became effective July 14. A marketing agreement for the Missouri-Kansas potato-producing area has been tentatively approved. Both agreements are so drafted as to provide the basis for a national agreement for the industry if such an agreement is desired.

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GUM NAVAL STORES FACTORS DISTRIBUTORS LICENSED

Two licenses, one for factors and agents and one for distributors of crude gum, cleaned gum, gum turpentine and gum rosin, were issued by the Secretary of Agriculture and became effective July 14. Both licenses provide that no licensee shall purchase, market, ship or in any manner handle crude gum, cleaned gum, gum turpentine or gum rosin, without having attached to the package thereof any identifying tag or stamp.

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NURSERY AGREEMENT HEARING JULY 20

A public hearing on a proposed nation-wide marketing agreement for the nursery industry, designed to eliminate competitive price-cutting, will be held at Hotel New Yorker in New York, on July 20. The proposed agreement seeks to eliminate the practice of quoting prices and subsequently disposing of nursery stock at lower figures, as special concessions.

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1935 WHEAT ADJUSTMENT PROGRAM ANNOUNCED

Farmers of the United States participating in the adjustment program for wheat during the coming marketing year will receive total benefit payments of not less than 102 million dollars, according to the program announced by the Agricultural Adjustment Administration. In a proclamation issued by the Secretary of Agriculture, the acreage permitted to be planted by contracting farmers for harvest in 1935 was set at not less than that planted for harvest in 1934, or 85 percent of the average seeded acreage of the base period 1928-32. The payments were announced at the rate of 29 cents per bushel of the domestic allotment. The benefit payments will be obtained from the proceeds of a processing tax of 30 cents a bushel on wheat. The new marketing year began July 9. Adjustment payments to cooperating growers will be made in two installments. The first installment, which it is planned to make during October, 1934, will be at the rate of 20 cents per bushel on the growers' domestic allotments. The second installment will be distributed after proof of compliance with the terms of the contract has been submitted to the Secretary of Agriculture by growers, and will be 9 cents per bushel. Each grower's pro rata share of local administrative expenses of the wheat production control associations will be deducted from the second payment. The final conditions as to acreage will be left open until early August, however, to provide for an increase in acreage above the 85 percent of the base acreage, if this should appear advantageous. In arriving at the amount of planting necessary to maintain a balance between wheat supplies and effective demand, Administration executives have been considering carefully the wheat supply condition of the United States and the international wheat situation. In considering the wheat situation in the United States, officials stated that under normal conditions a continuation of the present acreage would provide a crop of sufficient size to meet normal consumptive demands, to provide full carry-over reserves, and to leave more than 100 million bushels for export. Continuation of the present acreage limitation does not mean, officials state, that the United States will retire from world wheat marketings, but means that with normal weather conditions and average yields, sufficient wheat will be produced during the coming season to more than supply our world wheat trade, as based on average exports prior to the depression. Final decision as to adjustment in the coming year will be made when the International Wheat Acreage is taken up in August. Over 575,000 wheat producers, producing over 77 percent of the nation's wheat, are parties to adjustment contracts through which they have received adjustment payments of approximately 68 million dollars in the first installment for the 1933-34 program, and will shortly be receiving checks for the second installment of that program, expected to amount to more than 30 million dollars.

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SECTION TO ADVISE ON RURAL RELIEF

The Agricultural Rehabilitation Section has been established in the Agricultural Adjustment Administration to serve as liaison between the Adjustment Administration, the Federal Emergency Relief Administration, and the Extension Service of the Department of Agriculture in the organization and operation of the rural rehabilitation program. The section will plan and advise with these Federal agencies, coordinating their activities as they may affect the agricultural adjustment program. In addition, it will cooperate with various state agencies in the development of rural rehabilitation programs in the states.

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COTTON ADJUSTMENT PROGRAM EFFECTIVE

Approximately 24 million acres of the 28,024,000 acres under cultivation in cotton on July 1 are on farms covered by adjustment contracts with the Agricultural Adjustment Administration. The estimate of 28,024,000 acres in cotton as of July 1 was made by the crop reporting board of the Bureau of Agricultural Economics. This means that only about 4 million acres of cotton are being grown on farms not covered by adjustment contracts. Contracts renting 14,500,000 acres of cotton land to the Secretary of Agriculture under the adjustment program, have already been approved. Other contracts in scattered counties probably will bring the total rented acreage to 15 million acres. Contracting farmers have planted about 62 percent of their base cotton acreage of nearly 40 million acres. Although not taken into consideration in the adjustment program, the probable abandonment of acreage reported as being under cultivation July 1 will be a factor in further reducing the acreage. The average abandonment for the 10 years, 1924-33, for cotton acreage reported under cultivation as of July 1 is 2.4 percent which, if followed out this year, would further reduce the actual crop area by approximately 500,000 acres.

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OPENING DATES SET FOR FLUE-CURED MARKETS

Opening dates for the flue-cured tobacco auction markets have been approved after consultation with representatives of the various branches of the tobacco industry. The following is the schedule of opening dates: Georgia-Florida Belt market will open August 1; South Carolina and Border Belt markets, August 9; East Carolina Belt markets, August 23, on a restricted basis with Wilson, Greenville, Rocky Mount and Kinston, opening with two sets of buyers, and all other markets opening with one set of buyers; Middle Belt markets; September 11, on a restricted basis, all markets operating with one set of buyers; Old Belt markets, September 25, and the Virginia Dark Belt Markets will open November 7. The schedule as approved embodies the recommendations of the tobacco warehousemen and of the sales committee of the Tobacco Association of the United States, with a few minor changes. A schedule of opening dates for the Burley tobacco markets and for the dark-fired and air-cured tobacco markets in Kentucky and Tennessee will be considered later.

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FLOODED FLORIDA AREA TO GET AID

The Agricultural Adjustment Administration's Drought Relief Service is assisting farmers in the flooded regions of Florida as well as those in the drought-stricken west. Seven counties in the south-central region of the peninsula, those most affected by floods, were designated as emergency flood counties. These counties are Brevard, Highlands, Okeechobee, Orange, Osceola, Polk and Seminole. Because thousands of acres of pasture land have been inundated, immediate steps will be taken to alleviate conditions. The principal move will be the purchasing of cattle on the same basis as cattle purchases in the west, and at the same prices. Cattle so purchased will be turned over to the Federal Surplus Relief Corporation.

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PEAR AGREEMENT TENTATIVELY APPROVED

A marketing agreement for the Pacific Coast Bartlett Pear canning industry has been tentatively approved and is being sent to the industry for signature. The marketing agreement would limit canning of pears. In view of present crop prospects, this limitation is expected to improve growers' returns.

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CORN-HOG PAYMENTS NEAR 8 MILLION

With more than one-third of all county corn-hog allotment committees authorized to prepare regular contracts for the final signatures of producers, distribution among corn-hog farmers of approximately 130 million dollars in first installment corn-hog checks is expected to be near its peak by late July or early August. Disbursement of first installment corn-hog adjustment payment checks through July 9 total $7,702,070.45. The amounts paid by states are: Alabama, $13,350.05; Arkansas, $677.20; Indiana, $68,239.25; Iowa, $5,212,315.70; Maryland, $2,636; Michigan, $680; Minnesota, $1,039,595.70; Missouri, $975,178.70; Nebraska, $23,964; Nevada, $16,480; Ohio, $28,627.05; South Dakota, $99,262.20; Virginia, $2,230.35; Washington, $85,079.50; West Virginia, $8,557.20; Wisconsin, $125,197.44. The total disbursements through July 9 represent payments on 84,253 early payment contracts to producers in 296 counties, and on 36,124 regular payment contracts in 112 counties. Approximately 1,200,000 contracts have been obtained from corn and hog producers.

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TOBACCO GROWERS ADJUST PRODUCTION

Tobacco farmers, who agreed a year ago to reduce their 1934 crop in return for reasonable prices for the 1933 leaf, are keeping their promise, the Agricultural Adjustment Administration indicated after an analysis of the July 1 crop report. The report, released July 10, estimated the tobacco crop at 1,039,517,000 pounds. This is the approximate figure at which tobacco farmers last year signed to limit this year's crop. The indicated crop is as much below annual world consumption of United States tobacco as the 1933 crop of 1,385,107,000 pounds was above consumption, and this was the broader mark at which tobacco farmers were aiming. Tobacco farmers secured higher prices for the 1933 crop by their cooperative, voluntary action in agreeing to reduce this year's crop, and in addition they have made substantial progress towards reducing excessive surplus stocks that depress prices. Their action will result in removal of approximately 200 million pounds of the 950 million pounds of surplus tobacco now on hand.

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DROUGHT RELIEF IN 14 STATES

More than $2\frac{3}{4}$ million dollars in purchase and benefit payments have been paid to cattle farmers in 14 western states since the Drought Relief Service began its cattle-buying operations early in June, the Agricultural Adjustment Administration announced. More than 880,000 cattle have been bought. Representatives of the Drought Relief Service and the United States Department of Agriculture are buying cattle in Arizona, Colorado, Minnesota, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, Utah, Wisconsin, and Wyoming. More than 70,000 farms in these 14 states have voluntarily sold cattle under the drought relief plan. These farms and ranches had a total inventory of 2,430,053 animals and sales up to July 11 totalled 851.111 head, or 35 percent of the total inventory. The total estimated cattle population of the 14 drought states as of January 1, 1934, was 30,496,000 including dairy cattle. This is a little less than 50 percent of the total cattle population of the entire country which is more than 67 million. When cattle are purchased they are turned over to the Federal Surplus Relief Corporation and shipped to packing plants to be processed for relief purposes.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

BUREAU OF AGRICULTURAL ECONOMICS U.S. DEPARTMENT OF AGRICULTURE

Volume 1, Number 42 July 21, 1934

MILLION DROUGHT CATTLE BOUGHT

More than 1,100,000 cattle from emergency drought counties in 16 western states had been purchased by the Agricultural Adjustment Administration at the close of business, July 19. All of these cattle are turned over to the Federal Surplus Relief Corporation, as they are purchased, to be processed for distribution to families on relief rolls. Payments to cattlemen in these states amounted to $5,910,305. These figures, however, do not represent payment for all cattle purchased to that time, since several days ordinarily are required to issue vouchers in payment for animals purchased. The cattle purchased came from 89,113 farms in the 16 states and represent 32.8 percent of the total inventory of 3,515,903 head of cattle on those farms. The states in which purchases have been made, together with the total number of cattle bought in each state follows: Arizona, 17,192; Colorado, 12,335; Idaho, 514; Minnesota, 117,444; Montana, 42,045; Nebraska, 14,798; Nevada, 1,278; New Mexico, 30,770; North Dakota, 556,705; Oklahoma, 2,531; Oregon, 66; South Dakota, 205,827; Texas, 114,252; Utah, 7,828; Wisconsin, 18,682; Wyoming, 17,558.

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SEND SECOND WHEAT PAYMENTS TO GROWERS

Disbursement of more than 30 million dollars among wheat producers who are filing certificates of compliance on their wheat adjustment contracts under the Agricultural Adjustment Act has begun. The first block of checks to cover the second instalment of the 1933 payment totaled $1,258.30 and went to 58 contracting growers in Ralls County, Mo. The speed with which additional checks are written depends heavily upon accurate completion of the compliance certificates by county wheat committees. Completion of these second instalment payments will raise the total benefit payments under the wheat allotment program of the Agricultural Adjustment Administration to approximately 98 million dollars, as $67,302,725 had already been placed in growers' hands on July 20. The second instalment is at the rate of 9 cents per bushel. From this each producer's pro rata share of the expenses incurred by the local association is deductible. The second payment marks the end of the first year of the wheat adjustment program, in which some 577,000 growers have retired 7,500,000 acres of wheat from production.

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RICE MILLING AGREEMENT AMENDED

An amended marketing agreement and license for the southern rice milling industry of Louisiana, Arkansas, Texas and Tennessee, became effective July 21. The amendments change the provisions of the agreement effective March 6 and the provisions of the license effective October 16, 1933, but continue in effect the general plan to maintain improved prices for the 1934 crop by a series of munimum prices to growers and a crop control program. The amendments, approved by millers of at least 65 percent of the volume of the industry, are designed to give more equal representation to small millers and to induce a freer rice market.

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FARM PROGRAM BRINGS LAND BACK TO GRASS

A large part of the 45 million acres of grass which was plowed up in war time and put into surplus production is now going back into grass, feed, forage, soil-building and erosion-preventing crops under the stimulus of the Agricultural Adjustment Administration program, a survey being made by the Administration's replacement crops section indicates. Though general in character, the survey thus far has shown results so strongly indicative of the trend in land utilization as to leave no doubt of the broad consequences of the program. Good use has been made of the contracted acres for planting emergency forage crops to offset drought losses, the survey indicates. Contract modifications in the flexible crop adjustment programs opened the way for many farmers, especially in drought regions, to plant soy beans, Sudan grass, millet, sorghums and corn for forage, and forage crops in general on the rented acreage. By using the approximately 40 million contracted acres largely for leguminous crops and grasses, farmers are maintaining and increasing soil fertility, providing a better farm rotation, increasing the amount of pasture and home-grown roughage feed, and lessening labor costs in feeding livestock and general farm operations. This increase in pasture and forage crops to replace surplus grain and cash crops is said by livestock men to tend toward somewhat less total production of milk and meat, but at lower cost and with greater net return to the producer. Information gathered thus far shows that in the corn belt states of Ohio, Indiana, Illinois, Iowa, Nebraska and Missouri many farmers chose to plant their contracted acres to alfalfa, sweet clover, clover and timothy. Where seedings failed, emergency forage crops were planted extensively. Reports from these states show some variation in the use of the contracted acreage, both among states and between the acres retired from wheat and from corn production. There is definite indication in all cases, however, that a substantial proportion of the contracted acres has been shifted to pasture, meadow, and forage crops. Some of the land has been used for weed control work or fallowing, and only a small percentage has been left idle. Studies in seven representative southern states, Arkansas, Texas, Oklahoma, Georgia, Tennessee, North Carolina and South Carolina, indicate that a majority of the contracted acres have been used for the production of home feed and food crops. This use of the rented acres was expected, and is in line with provisions of the cotton contract which encourage increased production to meet shortages of feed and food crops for home use in the Southern States. Soil-improving and erosion-preventing crops were also planted extensively on the southern contracted acres, and only a small percentage of the contracted cotton acres have been allowed to lie idle.

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CONFERENCE ON AID TO SHEEP INDUSTRY

Plans for governmental assistance to sheep growers in the drought area will be discussed at a meeting of sheep men and Federal agricultural officials at Salt Lake City, Utah, July 25 and 26. Delegates from the western sheep states will be called to the Salt Lake City conference, which likewise will be attended by representatives of organizations interested in the industry and by representatives of the Agricultural Adjustment Administration.

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TWO MILK LICENSES GET MINOR CHANGES

Amendments to the existing licenses for the Chicago, Ill., and the Oklahoma City, Okla., milk sales areas became effective July 18, to remove a clause in the license which states that "no distributor shall purchase milk from any producer unless such producer authorizes such distributor, with respect to payments for milk purchased from such producer, to comply with the prices and provisions of the license." The clause was removed because it served no purpose in protecting producers, inasmuch as the licenses also provide that producer prices in the licenses supersede terms of contracts not consistent with the terms of the licenses.

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EXTEND CORN LOAN MATURITY DATE

Extension of the maturity date of outstanding notes of Government corn loan borrowers from August 1 to September 1 was announced by the Agricultural Adjustment Administration and the Commodity Credit Corporation. Prompt settlement after August 1, the original maturity date, will be asked, however, on outstanding loans secured by corn in poor condition and likely to deteriorate, or corn stored in cribs that offer inadequate protection. Administration officials point out that borrowers may sell the corn at their own option at any time, in accordance with regulations of the Commodity Credit Corporation, announced May 31, and receive for themselves any over-plus remaining after the loan note principal, with interest to date of actual sale, insurance charges, and other incidentals such as shelling costs have been met. Until the Commodity Credit Corporation calls for the corn, the borrower may also remove it from under seal by repayment of the note principal, plus interest and incidental charges. Borrowers may also make partial payments on loans upon sealed corn and obtain the release, solely for their own feeding purposes, of an amount of sealed corn equivalent to the partial payment made, at the rate of 47 cents per bushel, which equals approximately the loan principal plus interest and incidental charges. All authorizations for partial release of corn collateral covered by a farm warehouse certificate are granted by the Commodity Credit Corporation.

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CORN LOANS AID FARMERS

The total amount of corn on farms in states where Commodity Credit Corporation loans were made, is estimated at 382,753,000 bushels as of July 15 compared with estimated stocks of 621,999,000 bushels on farms in those states on April 1. These states are Colorado, Illinois, Indiana, Iowa, Kansas, Minnseota, Missouri, Nebraska, Ohio and South Dakota. Of the farm stocks now on hand in the corn loan area, 256,532,000 bushels or approximately two-thirds is pledged under Government loan agreements. Most of the disappearance in farm stocks since April 1 has occurred in unpledged stocks; unpledged corn decreased approximately 64 percent between April 1 and July 1 while pledged stocks decreased only about 4 percent. The corn loan program was inaugurated by the Agricultural Adjustment Administration last November to provide immediate stimulus to farm purchasing power and to supplement the corn-hog production adjustment program for 1934. The loan totals by states were approximately as follows: Iowa, $57,000,000; Illinois, $30,000,000; Nebraska, $23,000,000; Minnesota, $5,500,000; South Dakota, $1,500,000; Missouri, $1,000,000; Indiana, $1,000,000; Kansas, $1,000,000; Ohio, $250,000 and Colorado, $67,500. Approximately 270,000,000 bushels were placed under seal and this amount of corn represented a loan value of approximately $121,300,000. Up to July 14, approximately $6,000,000 had been repaid. The rate of retirement of the loan notes is approaching $1,000,000 per day. The cash price of corn over most of the corn belt recently has been at least several cents higher than the original loan rate of 45 cents per bushel. Any over-plus, resulting from sale of the corn collateral and settlement of the loan obligation, goes to the borrower. If the market price of corn on the September 1, the maturity date, is less per bushel than the loan amount per bushel, the borrower may dismiss his obligation by turning over to the Commodity Credit Corporation or its representatives, the number of bushels of corn originally stored, provided the loan agreement (including compliance with the corn-hog contract) has been fulfilled and provided no misrepresentation of facts were made by the borrower in procuring the loan.

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AMEND MILK LICENSE FOR GREATER KANSAS CITY

Through amendments to their license which became effective July 17, producer-distributors of milk in the Greater Kansas City sales area are exempted from payment to the equalization pool and adjustment fund set up under the existing milk license for that area, by an amount equal to the bases already established for them by the market administrator. The amendment relating to producer-distributors is the most significant of those approved, because these milk handlers are a large factor in the Kansas City market. All milk produced in excess of the bases set for the producer-distributors and sold by them as Class 1, Class 2, or Class 3 milk must be included in the calculation of the blended price and in the adjustment account. The difference between the value of the excess milk and the value of milk sold in each class must be paid into the equalization pool fund, under the new provisions. This is the first such provision written into a milk license by the Agricultural Adjustment Administration to meet the complex problems of milk marketing presented in a market where a large number of producer-distributors operate.

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AMEND LINCOLN MILK AGREEMENT

Amendments to the license for the milk sales area of Lincoln, Nebr., relating to producers' prices for Class 2 milk and deductions payable to maintain the market administrator's office, became effective July 17. The amended price for Class 2 milk is provided so as to make it correspond with prices prevailing on the adjacent Omaha-Council Bluffs market. The effect of the amendment is to increase the producers' price for Class 2 milk about 1 cent per pound of butterfat in milk. The formula places the Class 2 price on the basis of the averaged quored price of 90 score Chicago carlot butter, plus 20 percent, plus 4 cents per pound of fat. The former formula allowed a differential of 3 cents instead of 4 cents. The maximum deduction from payments to producers with which to maintain the market administrator's office is increased from 1 cent per 100 pounds of milk to 2 cents. The definition of Class 2 milk is changed also to eliminate from it milk used for making ice cream or ice cream mix.

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BOSTON MILK LICENSE AMENDED

Amendments to the license for the Greater Boston, Mass., milk sales area relating to the price provisions on cream became effective July 17. One amendment does away with establishing the Class 2 price for milk in Boston on the prevailing butter price quotation and inserts a new provision under which the Class 2 price will be 3.7 times the average price per pound of butterfat in cream of bottling quality as calculated by the market administrator in each delivery period from the quotations current by the Bureau of Agricultural Economics on a weighted average f.o.b. Boston price for such cream in 40-quart cans testing 40 percent butterfat. Deductions in the formula amounting to 11½ cents per 100 pounds are allowed to cover the processing and skim milk values. At country stations more than 75 miles from the sales area a uniform transportation charge of 6 cents per 100 pounds of Class 2 milk is included. No country receiving stations are located inside the 75-mile limit. Another new provision changes the differential bases on milk that tests above or below the market standard of 3.7 percent fat, from a butter price basis to one-tenth of the average price per pound of butterfat in cream, to be determined in the same manner as with Class 2 milk.

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COLORADO PRODUCE PACT GETS TENTATIVE APPROVAL

A marketing agreement for fresh peas and cauliflower grown in Colorado has been tentatively approved and is being sent to the industry for signatures, the Agricultural Adjustment Administration announced. The agreement seeks to improve returns to growers through a system of proration and allocation of shipments among handlers and growers of fresh peas and cauliflower. Under the agreement the quantity of these products available for shipping would be determined from reports to be made to four district committees by shippers and producers, and forwarded in turn to a control committee, which would determine the proportion of cauliflower and peas for shipment from each district. When the district committees receive their respective allotments they would, under the terms of the agreement, allocate to each grower or handler his share of the total to be shipped.

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HEARINGS TO AMEND PEANUT AGREEMENT

Three public hearings on proposed amendments to the existing peanut marketing agreement will be held at Fort Worth, Tex., July 23, at Albany, Ga., July 27, and at Suffolk, Va., July 30. The proposed amendments would require the marketing agreement control board to determine the prospective supply of peanuts and the probable amount required by the market, and to allot to the three producing areas and to the growers in those areas, the tonnage that may be delivered. The proposed amendments also contain provisions for disposing of surplus peanuts by diverting them to the manufacture of by-products.

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WASHINGTON PRODUCE AGREEMENT APPROVED

A marketing agreement and license for fresh lettuce, peas, and cauliflower grown in western Washington became effective July 21. Improved returns to the producers through a system of prorating shipments are sought through the agreement signed by more than 90 percent of the shippers and handlers of the products. The license makes the terms of the agreement binding on all handlers and shippers of fresh lettuce, peas and cauliflower in that area.

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PINTO BEAN MARKETING AGREEMENT HEARING

A proposed marketing agreement for the pinto bean industry in Colorado, New Mexico, Arizona and Kansas, designed to stabilize the industry and to promote more equitable marketing, will be considered at a public hearing to be held at the County Court House, Trinidad, Colo., July 26. Operation of the proposed agreement, the first of five regional agreements being drafted for the bean industry in the United States, would be contingent upon the approval by the Secretary of Agriculture, of the marketing agreements for the four competing areas.

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CITRUS FRUIT AGREEMENT HEARING IN PUERTO RICO

A public hearing on a proposed marketing agreement for the citrus fruit industry in Puerto Rico will be held at the Chamber of Commerce, Ochoa Building San Juan, Puerto Rico, July 31. The proposed agreement, which is designed to become a part of the national stabilization plan now in operation for the citrus areas of the United States, provides for proration of shipments, grade standards, and regulation of charges. Supervision of the agreement would be through a control committee.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 41 July 28, 1934

DROUGHT CATTLE SHIPPED TO PASTURES Shipments of government-purchased drought cattle into 10 southern states totaled 82,169 to July 25, the Agricultural Adjustment Administration announced. These cattle were part of those purchased by the Agricultural Adjustment Administration and turned over to the Federal Emergency Relief Administration for relief uses. After being pastured for a period in southern states they will be slaughtered and processed, and the meat will be distributed to families on relief rolls. Shipments which have been ordered total 153,284 head. Actual shipments to pasture in the 10 states are: Alabama, 11,303; Arkansas, 14,761; Florida, 3,000; Georgia, 13,862; Mississippi, 2,904; North Carolina, 7,026. Oklahoma, 941; South Carolina, 14,428; Tennessee, 10,122; and Virginia, 3,822. Louisiana and West Virginia have indicated they can pasture several thousand animals. Some cattle are being shipped from drought areas into western and northwestern states for temporary grazing. These cattle are not to be slaughtered but are moved to better pasture as a step in saving foundation herds. Such shipments are made by individuals or local authorities.

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COOPERATING FARMERS GET QUARTER BILLION Rental and benefit payments to producers cooperating in production-adjustment programs of the Agricultural Adjustment Administration totaled $293,875,568.75 up to July 27. This amount of money was paid in 3,797,496 checks. Cotton producers under the 1933 program received $112,719,743.42. Payments for exercise of cotton options totaled $11,742,095.95, and payments for participation in the cotton option pool totaled $38,982,347.74. Cotton producers under the 1934 program received $34,249,445.84. Tobacco growers under the 1933 program were paid $1,819,859.77, and under the 1934 program they received $12,014,318.31. Wheat production-adjustment payments totaled $67,375,147.47. Payments to producers under the 1934 corn-hog program reached $14,972,612.25. The Administration is now in the process of paying approximately 30 million dollars in second payments for adjustments in the 1934 wheat crop, 50 million dollars as the first instalment for adjusting 1934 cotton production, 25 million dollars in first payments to producers adjusting 1934 tobacco production, and 130 million dollars as the first instalment for adjusting 1934 corn and hog production.

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SIX ILLINOIS HEARINGS ON MILK AGREEMENTS Hearings on milk marketing agreement proposed by the Illinois Agricultural Association and the respective local associations of milk producers will be held by the Agricultural Adjustment Administration during August in six cities of Illinois. The hearings will be held at Peoria, August 13; Rockford, August 15; Champaign, August 17; Bloomington, August 20; Decatur, August 21, and at Danville, August 22.

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PROGRAM HELPS AVERT STOCK FEED SHORTAGE

Marked increase in production of forage crops and conservation of corn supplies which help to alleviate the shortage of livestock feed has been made possible by the production adjustment programs, the Agricultural Adjustment Administration announced. The Administration's corn and hog program has contributed much to the conservation of feed supplies which are now being depleted by wide-spread drought. The increase in the production of forage crops, coupled with savings in the corn supply made possible through the adjustment programs, have resulted in more feed being available for livestock feeding than otherwise would have been the case under the drought condition. As the result of modifications in the adjustment programs as the drought developed there has been no decrease in acreage producing crops, although some of this acreage has been shifted from basic commodities to grass and forage crops. On the other hand, the proportion of land planted to feed crops, better adapted to drought conditions than are basic crops, has been increased. A study made by the Agricultural Adjustment Administration in several typical farming states indicated that nearly 90 percent of the land contracted under Agricultural Adjustment Administration programs in those states had been planted in forage crops. Something more than 40 million acres of farm land is under adjustment contracts throughout the country. Applying to this area the data obtained in the survey of typical states, there are approximately 35 million acres now planted to forage crops. The corn belt and southern states have this year made record plantings of lespedeza, alfalfa, and soybeans. Clover seedings also have increased. Less than 5 percent of the contracted land is idle, the survey indicated. A little more than that is being fallowed for fall planting. In the cotton states the contracted acres are being used largely for producing necessary feed and food for home use on the farm instead of the land being used for production of surplus cotton.

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CATTLE PURCHASES MAY EXCEED 4 MILLION HEAD

Indication that Government cattle purchases in the drought-stricken areas would amount to 4 million head, and possibly to 7 million head, and might continue for six months, was given by officials of the Agricultural Adjustment Administration. Purchases to July 26 approximated 1,500,000 head. Fewer than 700,000 had been shipped to packing plants. The extent to which cattle can be purchased and moved depends on facilities for slaughter, processing, freezing and storage, and also on pasturage. So far, these facilities have permitted slaughter of only 110,000 head per week under Federal inspection, but all possible means are being used to dispose of stock, and additional facilities are being sought and added as rapidly as possible. The Government is seeking to increase facilities until 250,000 head a week can be handled. Plants also are being developed to extend cattle purchases eventually to regions of the country not in the drought areas in order that farmers in non-drought sections who have actual cattle surpluses may have an opportunity to dispose of excess stock. However, attention will still be given first to the drought states, in which the situation is most acute. It is probable that state cattle purchase quotas will be worked out, in order to utilize fully all the processing facilities which can be made available, and to prevent recurrence of the gluts at stockyards which occurred last week. Purchases were temporarily halted earlier this week. When recommenced they will be carried on only at a rate in keeping with available processing facilities. Cattle purchased by the Government are slaughtered and processed for immediate relief distribution or stored for future use.

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CORN-HOG PAYMENTS REACH 14 MILLION

First instalment checks totaling approximately 15 million dollars had been distributed up to July 27 to farmers participating in the corn-hog program, and more than one-half of all county corn-hog allotment committees have been authorized to prepare regular payment contracts for the final signatures of producers, the Agricultural Adjustment Administration reported. Total disbursements through July 23, were $10,819,728.30, by States, as follows: Alabama, $17,269.75; Arkansas, $6,663.40; Colorado, $5,786.00; Illinois, $16,985.45; Indiana, $118,506.10; Iowa, $6,024,946.65; Kansas, $83,362.75; Maryland, $2,636.00; Michigan, $680.00; Minnesota, $1,766,049.15; Missouri, $1,679,583.00; Montana, $862.00; Nebraska, $218,989.35; Nevada, $16,480.00; Ohio, $277,754.30; South Carolina, $152.50; South Dakota, $140,730.70; Virginia, $29,757.50; Washington, $123,087.50; West Virginia, $8,557.20; Wisconsin, $280,889.00.

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COTTON OPTION PAYMENTS EXCEED 51 MILLION

Cotton growers who took options on Government-held cotton at 6 cents a pound as part payment for their participation in the 1933 cotton adjustment program, had received up to June 30, a total of $11,618,480.03 on account of exercise of options by sale of cotton, and $39,928,555.34 on account of exercise of options by participation in the cotton producers' pool, according to a report made public by the Agricultural Adjustment Administration. The payment went to cotton growers in 18 states.

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INSULAR AREAS TO GET SUGAR TAX FUNDS

Establishment of separate sugar processing tax funds for the Philippine Islands, Puerto Rico, the Territory of Hawaii, and the Virgin Islands, to be used in each of these respective areas for the benefit of its agriculture, is provided in a proclamation issued by the President pursuant to Section 15 (f) of the Agricultural Adjustment Act, as amended. Under that section the taxes collected upon the processing of sugarcane in these areas or the processing in continental United States of sugar produced in and coming from these areas shall be held as separate funds in the names of the respective areas either to be expended for the benefit of agriculture or to be paid as rental or benefit payments in connection with crop adjustment programs or to be used for expansion of markets or for removal of surplus agricultural products in each of the areas, as the Secretary of Agriculture, with the approval of the President ,may direct.

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NEW JERSEY POULTRY CODE IS PROPOSED

A proposed code of fair competition for the live poultry industry of New Jersey and the counties of Lackawanna, Wayne, Pike, Northampton, Bucks and Monroe, in Pennsylvania, has been filed with the Agricultural Adjustment Administration by the New Jersey Retail Live Poultry Dealers Association. The code as filed is tentative and subject to public hearings. In addition to listing trade practice provisions, it defines terms used in the industry and specifies provisions governing wages and labor conditions which would be under the jurisdiction of the National Recovery Administration. It contains anti-racketeering provisions, designed to prevent violence, coercion, extortion, intimidation, threats, conspiracy, combinations, bribery and special privileges. Other provisions require reports from members of the industry, and would seek more efficient methods of determining supply and demand factors, costs of handling live poultry, and the establishment of uniform standards and grades. A code for the New York live poultry industry is already in effect and one for the Chicago area has been filed with the Administration for consideration.

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FIVE HEARINGS ON BEAN AGREEMENTS

A series of five public hearings on proposed marketing agreements for the dry edible bean industry will be held in sections of the United States between July 31 and August 11, the Agricultural Adjustment Administration announced. These proposed agreements together with one for the pinto bean industry on which a public hearing was held July 26 at Trinidad, Colo., virtually covered the entire bean industry of the country. The operation of each agreement will be contingent upon final approval of the entire group. The hearings announced will be held at Berkeley, Calif., July 31; at Saginaw, Mich., August 7; at Twin Falls, Idaho, August 6; at Billings, Mont., August 10; and at Batavia, N. Y., August 11. Following the public hearings, representatives from the five areas will meet in a joint conference at Denver, Colo., about August 15, to discuss possible coordination of all of the agreements and to make plans for the organization of a national coordinating committee to operate in the event the proposed agreements are finally approved by the Secretary of Agriculture. Under the proposed agreements the industry board would determine the estimated supply of each variety of beans for the marketing year and the amount deemed advisable to market. The national coordinating board would coordinate the prices of the different varieties of beans in the different areas in such a manner as to promote an orderly and equitable market movement. When necessary, it could increase the minimum price of any variety of beans.

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BUYERS ON MARKETS UNTIL TOBACCO IS SOLD

While some opening dates in practically all tobacco belts have been advanced, this does not necessarily mean a change in the closing dates in any belt, the Agricultural Adjustment Administration announced. As previously announced the opening dates will be as follows: Georgia and Florida, August 1; South Carolina and the Border Belt, August 9; Eastern North Carolina, August 23; the Middle Belt, September 11; the Old Belt, September 25; the Virginia Dark Belt, November 7. It has been agreed that some buyers will remain on the markets in each section until the crop can be sold in an orderly manner. This will mean that during the first one or two weeks sales will be on a restricted basis in some belts. There is no occasion for the growers in any section to harvest green tobacco, the Administration's tobacco section reports.

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WINE GRAPE AGREEMENT FILED

A proposed marketing agreement for wine grapes produced in California has been filed with the Agricultural Adjustment Administration by the Wine Producers Association, San Francisco, Calif. An application for a formal hearing has been made by the Wester Wine Producers Association, the California Grape Growers, and by the State Wide Grape Planning Committee, California State Chamber of Commerce. The agreement would seek to control grape surpluses and increase returns to producers. A control board, whose duties would be to supervise the terms of the agreement, would establish, subject to disapproval of the Secretary of Agriculture, minimum prices for grapes used in the production of wine, grape must, concentrate or brandy, and on eastern shipments if possible. The board would also be empowered to establish minimum prices below which the grape products may not be sold by vintners.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 44 August 4, 1934

CORN-HOG PAYMENTS NOW EXCEED 17 MILLION

The expected pick-up in daily receipts of adjusted corn-hog contracts from the various states participating in the 1934 corn-hog program has begun and disbursements of the first instalment payments of approximately 130 million dollars are now going out at an increasing rate, the Agricultural Adjustment Administration reports. Payments through August 1 total $17,200,838.38 or an increase of over $6,000,000 since a week ago. These payments were made to producers in 25 states as follows: Alabama, $53,388.40; Arkansas, $74,618.60; Arizona, $15,406.00; California, $57,742.00; Colorado, $19,212.00; Illinois, $37,312.70; Indiana, $859,887.95; Iowa, $6,283,801.78; Kansas, $334,053.50; Maryland, $3,413.55; Michigan, $680.00; Minnesota, $2,414,748.20; Missouri, $2,847,187.40; Montana, $11,463.20; Nebraska, $1,002,194.65; Nevada, $17,774.90; New Mexico, $2,563.75; Ohio, $2,245,669.35; South Carolina, $152.50; South Dakota, $185,870.60; Tennessee, $6,725.45; Utah, $16,573.40; Washington, $145,704.80; Wisconsin, $539,947.55, and West Virginia, $24,743.15.

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SEEK INCREASED CATTLE PROCESSING FACILITIES

Problems connected with converting government-purchased drought cattle into canned and frozen beef for relief purposes were discussed at a conference between Government officials and meat packers at the Department of Agriculture. Cattle purchases in drought areas at the present time are running approximately 50,000 per day, and about half of this number are being sent to pasture to await slaughter and processing in the future. The plants now engaged in processing cattle purchased by the Government in the drought states have a capacity of around 110,000 head per week. It is hoped in from two to three weeks to step this up to 200,000 to 300,000 head per week. This would make it possible to increase shipments from farms to plants. Cattle purchases have been slowed down temporarily by the Agricultural Adjustment Administration in order to permit processing plants to work out the excess stock of Government cattle that glutted some markets a week ago. Actual slaughter facilities are sufficient, according to the packers, but additional cooling and other processing facilities are needed. One of the purposes of the present conference is to locate cooler and processing facilities that are not now in use and that are suitable. More than 2 million cattle have been purchased in 19 drought states. Actual shipments of drought cattle up to August 2 totaled 968,260 head, approximately half of the total purchased to that date. More than 150,000 head have been shipped to grazing areas to await slaughter later by State relief administrations.

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SEED CONSERVATION PLAN AMONG DROUGHT AID STEPS

Additional steps to assist farmers to overcome the consequences of drought were taken by the Agricultural Adjustment Administration. These included a plan for the purchase of seed stocks to insure sufficient seed for planting in 1935; further modification of restrictions in adjustment contracts to permit use of rented acres for seed and feed purposes; special freight rates for feed and livestock shipments for drought areas were extended for a month. The seed purchase program already under way, is designed to protect agriculture against drought by maintaining adequate supplies of foundation seed stock for next year. Funds for this purpose will be made available from the emergency drought appropriation. Seed purchased so far includes wheat, oats and barley. Purchase of flaxseed and seeds of legumes likewise is being considered. As seed stocks are acquired they are stored in warehouses to await use in connection with planting for 1935. Plans for distribution of the seed are being worked out. It has been indicated that disposition probably will be made through commercial channels under government supervision. New rulings applying to land now under 1934 cotton, wheat, corn-hog and tobacco adjustment contracts permit harvesting this year on rented or contracted acres of the seed of grasses and legumes. Seed so harvested may be used or sold for seed purposes. On the rented acreage covered by the 1934-35 cotton contracts, the rulings permit planting, pasturing and harvesting of pasture, hay and roughage crops for restricted use or sale as livestock feed, during 1934. The ruling on rented cotton acreage is limited to 1934. Harvesting of grain sorghums and corn for seed on the contracted acres is not permitted under the new ruling. Special freight rates now in effect covering feed and livestock shipments for drought areas have been continued in effect to September 4. These reduced rates, granted by the northwestern railroads and later by the western and southwestern roads, were first announced June 6 for a period of one month and were later extended to August 4.

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NO CHANGE PLANNED IN CORN LOAN POLICIES

No change in the corn loan program in which producers have obtained loans of 45 cents per bushel on sealed corn is contemplated. Numerous inquiries had been received by the Commodity Credit Corporation and the Agricultural Adjustment Administration asking whether the government planned to increase the loans during the current year. After a conference among officials it was said that there was no foundation for reports that it was planned to increase the loan value above 45 cents.

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ORDERLY SELLING FOR POOLED COTTON

Cotton consigned to the cotton producers' pool, which since July 31 may be sold at the discretion of the pool manager, subject to approval of the Secretary of Agriculture, will not be dumped on the market, sacrificed or marketed in any manner calculated to unduly disturb the spot market or general economic conditions, the Agricultural Adjustment Administration announced. Under the provisions of the pool agreement, the approximately 1,950,000 bales held by the pool could not be sold before July 31 at less than 15 cents a pound basis middling 7/8 inch. As the price of cotton has not reached this figure since the pool was formed, none of the actual cotton has been sold.

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FLORIDA STRAWBERRY MARKETING AGREEMENT

Improved returns to producers of Florida strawberries through limitation of the grades and sizes of berries which may be shipped to market centers are among the objectives of a marketing agreement for shippers of these berries which will become effective August 5. Due to the perishable nature of strawberries and the marketing methods employed, the agreement provides for withholding inferior grades and sizes from the market in time of burdensome supplies as a means of bringing the supply of Florida strawberries in line with market requirements. All shipments are to be under the supervision of a control committee which will consist of shipper and grower members.

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GRAVENSTEIN APPLES AGREEMENT APPROVED

A marketing agreement for the California Gravenstein apple industry designed to improve returns to growers through control of the movement of the crop to both domestic and foreign markets will become effective August 5. A proration committee would be established to determine, before June 15 of each year, the total advisable quantity of Gravenstein apples that can be absorbed by the markets with reasonable returns to growers. If the total available crop exceeds the advisable amount, the committee would apply a limitation upon total shipments, both export and domestic, for the season. In addition seasonal limitation of shipments during periods of a week or less may be applied to regulate the flow to market and avoid price-depressing fluctuation of supplies on markets. A control committee composed of shippers elected on a tonnage basis, will be responsible for the general operation of the agreement provisions. The Gravenstein apple industry has suffered from extremely wide fluctuations of prices to producers, as prices have ranged from $1.96 per box to as low as 17 cents per box in 1932. In 1933 the price was 34 cents per box, when over 1,-172,000 boxes of Gravenstein apples moved into trade channels.

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COLORADO PEACH PACT TENTATIVELY APPROVED

A marketing agreement for growers and handlers of Colorado peaches designed to maintain returns to growers and provide for more orderly marketing through proration of shipments, has been tentatively approved by the Secretary of Agriculture and is being sent to the industry for signature by shippers. Supervision of the agreement would be through a control committee representative of shippers and growers.

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NEW MILK LICENSE FOR BALTIMORE AREA

A new license for the Baltimore, Md., milk sales area to replace a former license became effective August 1. It was completed by the Agricultural Adjustment Administration at the request of the Maryland State Dairymen's Association handling approximately 90 percent of the milk produced for that market. No resale prices are contained in the new license. Prices to producers are increased by about 41 cents per 100 pounds on Class 1 milk and about 23 cents on Class 2 milk. The new license does not limit the production area, but the defined sales area embraces less territory than the former license included. Prices to producers are $3.02 per 100 pounds of Class 1 milk, sold for fluid consumption, f.o.b. distributors' plants in Baltimore. Class 2 milk, used or sold for fluid cream purposes, flavored milk, creamed cottage cheese or cream buttermilk, is listed at $2.20 per 100 pounds. The producer-price for Class 3 milk, or milk other than defined in the other two classes, is defined at four times the average quotation for New York 92-score butter plus 40 cents per hundredweight.

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CORN-HOG RULINGS EXTEND DROUGHT AID

Two new administrative rulings applying to the 1934 corn-hog contract and of particular interest to cooperating producers living in the drought areas have been prepared by the Agricultural Adjustment Administration. Previous restrictions on feeder pigs have been modified to permit corn-hog contract signers to make unlimited purchases of such pigs during the period, August 1, 1934 and November 30, 1934. Originally, under the terms of the contract, a producer could not increase the number of feeder pigs bought in 1934 above the adjusted average number bought in 1932-33. Under the ruling contract signers may now buy pigs from producers in another county or state and those who have adequate feed supplies may buy pigs from farmers who do not have sufficient feed supplies. The second ruling permits the inclusion of wheat or other small grains among crops which may be planted in 1934 without restriction, if pastured or harvested for hay, on any land covered by corn-hog contracts, including rented or contracted acres. The wheat or other small grains so planted shall be used for pasture or hay only and shall not be harvested as grain.

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EXPORT 27 MILLION BUSHELS NORTHWEST WHEAT

Sales of wheat and flour for export through the North Pacific Emergency Export Association totaling the equivalent of 27,641,003 bushels had been made up to the close of business July 26, as the longshoreman's strike in that area ended and loading of grain to meet foreign sales commitments began, the Agricultural Adjustment Administration announced. Of the amount sold abroad, 22,751,536 bushels had been shipped up to the time that shipping from the northwest was paralyzed by strikes. A total of 27,649,204 bushels has been purchased by the association. Sales, by the export association are made under the terms of a marketing agreement developed to remove the surplus of wheat from Washington, Oregon, and northern Idaho. Under the agreement, exporters are reimbursed for losses sustained as a result of selling in the world market at prices lower than prevailing domestic levels. These differential payments on wheat shipped amount to $5,071,493, or an average cost of 22 cents per bushel. While the latest crop figures indicate that wheat supplies in the Pacific Northwest are somewhat smaller than a year ago, the crop this year yielded well, resulting in total supplies that are still above the needs of local consumption. Officials point out that a considerable portion of this regional surplus can be absorbed elsewhere in the United States as a result of the short wheat crop in the country as a whole.

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HEARING TO AMEND TEXAS CITRUS AGREEMENT

A public hearing on two amendments to the marketing agreement and license for the Texas citrus industry will be held at Weslaco, Texas, on August 9. The amendments concern a volume proration plan based on a system of growers' certificates and an assessment to provide funds for advertising.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 45 August 11, 1934

MILK LICENSE BRINGS PRODUCERS HIGHER RETURNS

Figures for 23 milk sales areas under Federal licenses show an average increase in returns to producers, on Class 1 milk, of 1.1 cents per quart for June and July, 1934, as compared with the low mark reached by depression prices in May, 1933, the Agricultural Adjustment Administration dairy section reports. The figures show that producers in these areas received during June and July from 61 to 87 percent of the average 1927-1929 prices, whereas one year ago, before the Federal milk licenses were in effect, prices to producers of Class 1 milk ranged from 33 to 72 percent of the 1927-1929 average. This increase to producers of 1.1 cents per quart, or 52 cents per 100 pounds, was realized after making allowances for average deductions for cost of supervision and market services under the licenses. Among the cities included in the report is Los Angeles where producers in May, 1933, prior to any Federal license, received only 33 percent of the Class 1 price which they got in the average for the years 1927, 1928 and 1929. Under the new license of the Agricultural Adjustment Administration they are protected by a price schedule which is about 61 percent of the f.o.b. quart price return reported for the average in 1927-1929, or a gain of 28 percent over May, 1933. In the sales area of the Quad Cities (Davenport, Rock Island, Moline and East Moline) producers in May, 1933, received 38 percent of the 1927-1929 price per quart on Class 1 milk. Under the existing license schedule the producers there enjoy a price on Class 1 milk which is 69 percent of the 1927-1929 level, or 31 percent more than in May, 1933. These figures do not include increases in Class 2 and Class 3 prices which also prevail on many markets under Federal licenses. Neither do the figures indicate the value of the regular, supervised accounting service provided under the licenses, which insures that producers are receiving full value on the actual amount of milk sold as Class 1, which in some instances was impossible to determine accurately prior to Federal licenses.

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ADDED FLAXSEED QUOTAS FOR PACIFIC COAST OIL CRUSHERS

Decision to grant flaxseed crushing quotas to Pacific Coast oil crushing firms not now having quotas under the code for the licensed oil manufacturing industry, provided they purchase sufficient amounts of California and Arizona grown flaxseed, has been reached by the Agricultural Adjustment Administration. The action seeks to assure Pacific Coast flax growers a certain market for their 1934 crop, of which approximately 40 percent is yet to be marketed. The quotas will be in addition to those already alloted oil seed crushers and may be also secured by those already having quotas. Decision to allot additional quotas follows a recent meeting of the code administrative committee of the linseed oil manufacturing industry at which such a program was suggested to the committee by the representative of the Secretary of Agriculture on the committee. A resolution adopted by the committee recommended the granting of such additional quotas. Pacific Coast flax production this year is estimated at about 260,000 bushels and of this amount it is estimated that approximately 100,000 bushels are yet to be sold by producers.

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ANNOUNCES SHEEP BUYING IN DROUGHT-STRICKEN AREAS

Plans to buy sheep in the drought states, and turn them over to the Federal Surplus Relief Corporation, were announced by the Agricultural Adjustment Administration following receipt from the Comptroller General of approval of the expenditure of drought relief funds for that purpose. Approval by the Comptroller General was given on the basis that the "purchase of sheep and goats, in addition to cattle, is necessary to relieve emergency conditions in the drought-stricken areas." Under the program, the Government buyers will purchase only ewes, and a flat price of $2 each for ewes one year old or older will be paid. Angora goats also will be bought, and the price will be $1.40 each for animals one year old or older. As in the case of cattle purchases, all animals fit for use will be utilized in providing food supplies for families on relief. Usable sheep will be slaughtered and the meat canned. It is expected that large numbers of both animals will be used for relief purposes in the states where they are purchased. The buying program will be put into operation at the earliest possible date and purchases will be confined largely to the most acute drought areas. Purchases will be made as rapidly as disposal permits. Sheep purchased under the program will be processed, as far as possible, in local or western packing plants.

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BULK OF FIRST PAYMENTS MADE TO COTTON GROWERS

Checks to farmers cooperating in the 1934 cotton adjustment program had reached a total of $34,691,288.87 on August 1, the Agricultural Adjustment Administration announced. These checks are part of the first installment of approximately 50 million dollars which is being paid farmers for adjusting cotton production. Payment of the second 50 million dollars will start as soon as compliance with the adjustment contracts is properly certified. This compliance work is now well under way. In addition to 100 million dollars in rental payments, cotton farmers will receive between 25 million dollars and 30 million dollars next December in parity payments. Payments by states as of August 1, are: Alabama, $3,412,918.32; Arizona, $160,r73.32; Arkansas, $3,321,707.91; California, $404,997.27; Florida, $76,607.47; Georgia, $3,332,253.51; Kentucky, $19,331.20; Louisiana, $2,030,296.64; Mississippi, $3,937,377.55; Missouri, $545,700.18; North Carolina, $1,827,084.15; New Mexico, $216,538.56; Oklahoma, $1,455,531.10; South Carolina, $2,408,418.94; Texas, $10,360,932.35; Tennessee, $1,119,470.28; Virginia, $61,650.12.

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ONE-FIFTH OF FIRST CORN-HOG PAYMENTS MADE

Approximately $24,232,300, or about one-fifth of the total of first corn-hog adjustment payments due contract signers now has been paid out, the Agricultural Adjustment Administration announced. The daily rate of disbursements henceforth is expected to average more than one million dollars per day. A total of 27,065 checks amounting to $2,275,928.05 were written August 7. Corn-hog payments by states through August 6 are: Alabama, $128,340.80; Arizona, $17,168.00 Arkansas, $77,036.30; California, $184,426.95; Colorado, $31,650.00; Illinois, $78,957.37; Indiana, $1,675,629.90; Iowa, $6,345,139.03; Kansas, $717,316.15; Maryland, $19,174; Michigan, $680; Minnesota, $2,452,538.80; Missouri, $3,495,-166.20; Montana, $6,788.30; Nebraska, $2,104,844.80; Nevada, $22,313.05; New Hampshire, $1,468; New Mexico, $2,563.75; North Dakota, $75; Ohio, $2,842,544.40; South Carolina, $152.50; South Dakota, $508,033.40; Tennessee, $13,761; Texas, $6,565.55; Utah, $23,991.15; Virginia, $208,024.15; Washington, $145,727.05; West Virginia, $31,560.45; and Wisconsin, $674,709.20.

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LOUISIANA SUGAR CANE ADJUSTMENT PLAN OUTLINED

General outlines of the proposed sugar cane production adjustment program for Louisiana were announced by the Agricultural Adjustment Administration for the guidance of planters now planning their fall plantings for the 1935 crop. Details of the plan are expected to be ready for growers before October 1, when the main fall planting period begins. Under the tentative plan it is expected to offer farmers production adjustment contracts covering the 1935 and 1936 sugar crops in order to limit production for these years to Louisiana's portion of the 260,000 tons as provided for the contenental United States by the Jones-Costigan amendment to the Agricultural Adjustment Act. Farmers who cooperate in the program are expected to receive cash benefits totaling over three million dollars on the 1934 crop. The first instalment is expected to be paid this fall after contracts are written and approved. Similar payments are expected to be made on the 1935 and 1936 crops. The plan provides that 1935 maketing allotments may be established for mills if the 1935 crop exceeds Louisiana's portion of the continental cane sugar quota of 260,000 short tons. It also provides for equitable distribution of benefit payments between tenants or croppers, and landlords in conformity with the policy in effect in other adjustment programs. The Louisiana program is the first step of the Administration's sugar section applied to the continental cane sugar acreage looking toward adjustment of the 1935 sugar production on a stable basis. The general sugar program contemplates adjustment of production in the sugar beet regions of the United States as well as the cane growing areas of Puerto Rico, Hawaii, and the Philippines. Because of the adjustment program, the planting of each cooperating grower in the fall of 1934 and the spring of 1935 must be conservative and in line with his individual record of past production, it is pointed out. If the plantings in the fall of 1934 and the spring of 1935 are not limited by individual growers, it will mean that those growers planting acreage in excess of their normal plantings will run the chances of not finding a market for their excess cane.

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RICE MILLERS TO MEET AUGUST 15

An organization meeting of the millers' advisory council established under the amended marketing agreement and license for the southern rice milling industry of Louisiana, Arkansas, Texas, and Tennessee will be held at Beaumont, Texas, August 15, the rice section of the Agricultural Adjustment Administration announced. At this meeting the advisory council will select seven members to represent the rice millers on the millers' committee which has charge of supervision and administration of the amended marketing agreement and license, which became effective July 21.

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HEARING ON AGREEMENT FOR FLORIDA CITRUS

A public hearing on a proposed marketing agreement and license for the Florida citrus industry which contain amendments to the agreement and license now in effect, will be held in Orlando, Fla., August 14. Oranges, grapefruit and tangerines marketed in Florida would be included under the proposed agreement and license which provide for volume proration, auction protation, grade and size limitation, and selection of a control committee to supervise the operation of the agreements and license.

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PACKERS TO SPEED DROUGHT CATTLE PROCESSING

Additional facilities being developed will make it possible for meat packers to process 50,000 head of drought cattle and calves, and 17,000 head of sheep daily by the middle of September or shortly thereafter, the meat packing industry assured the Government at a conference at the Agricultural Adjustment Administration. The packers at present are processing approximately 40,000 head of drought cattle and calves a day. The Bureau of Animal Industry has placed between 400 and 500 additional meat inspectors in packing plants throughout the country during the last three weeks to handle the Government slaughter of drought cattle for relief purposes, which has passed the million mark. It will place additional inspectors where they are needed as rapidly as the packers are ready to extend or begin new operations. The estimate of the processing volume which the packers expect to attain in September is based on an estimated total of 6,000,000 head of cattle and calves and 2,000,000 head of sheep to be slaughtered between this time and the end of the calendar year. Several of the packing companies are putting plants that have been idle for a time into operation, and some are putting on additional shifts to handle the Government cattle. In other instances plants originally designed to handle other livestock, or to process other foods, are being converted for slaughtering and processing beef and mutton.

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ST. LOUIS MILK LICENSE AMENDED

An amendment to the existing milk license in the St. Louis sales area, which will provide higher prices to producers will become effective August 14. The amendment, requested by the Sanitary Milk Producers, was made necessary because a considerable portion of the production areas in Missouri and Illinois, supplying the St. Louis market, are in emergency drought territory. The amended license provides an increase to producers on Class 1 milk of 3.5 percent butterfat from $2 to $2.35 per 100 pounds f.o.b. distributors' plants. The license schedule is subject to review and possible modification within 90 days. In connection with increased prices to producers, restrictions on milk supplied by new producers are removed. The permit requirement for new producers shipping to the St. Louis market is eliminated by the amended license.

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GROWERS IN 14 STATES GET TOBACCO PAYMENTS

Rental and benefit payments under the 1934 tobacco program to growers of Burley, flue-cured, fire-cured and Maryland types of tobacco totaled $11,092,424.45 up to July 1. the last date on which a complete compilation of payments was prepared, the Agricultural Adjustment Administration announced. The payments were made to cooperating growers in 14 states. Total payments by States were: Alabama, $1,236; Florida, $117,374.91; Georgia, $1,337.55; Indiana, $44,456; Kansas, $846; Kentucky, $1,886,014.80; Maryland, $31,700; Missouri, $31,570; North Carolina, $5,056,016.345; Ohio. $91,268; South Carolina, $1,592,087.19; Tennessee, $331,286.40; Virginia, $540,751.15; West Virginia, $30,498.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1. Number 46 August 18, 1934

LIVESTOCK-FEED COMMITTEE ESTABLISHED

The President's Drought Relief Committee composed of the Secretary of Agriculture, the Administrator of the Agricultural Adjustment Act, the Administrator of the Federal Emergency Relief Administration, and the Governor of the Farm Credit Administration, has designated a Livestock-Feed Committee the duties of which will include development of measures to arrange for the fullest conservation and effective distribution of livestock feeds and plans for the adjustment of the numbers of livestock and the quantity of available feed supplies in drought areas. A comprehensive survey is now being conducted by the Bureau of Agricultural Economics to determine the supplies of livestock feed now available in the United States and the need for such supplies. In order to secure the effective operation of the livestock purchase program and livestock feed distribution in each county, close cooperation will be maintained by representatives of the Federal Emergency Relief Administration, the Farm Credit Administration, the Agricultural Adjustment Administration and the Department of Agriculture.

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CUT SUGAR BEET CROP NOT TO AFFECT SET IMPORT QUOTAS

Reduction of the sugar beet crop of the United States as a result of drought will have no effect on import quotas already established for the current calendar year under the Costigan-Jones, the Agricultural Adjustment Administration announced. This is because the large carryover of January 1, 1934 and the estimated production from the current crop will total 20,000,000 bags of sugar in excess of the marketing quota for the year which has been set at 29.087,200 bags. This excess will be a normal carryover January 1, 1935 and no real shortage will be evident unless and until a short crop is produced in the fall of 1935. Stocks of beet sugar on hand in the United States at the beginning of this year were about equal to the domestic beet sugar marketing quota of 1,556,166 short tons raw value, and the reduction in this year's beet crop will merely result in reducing the excess of supplies and will not require adjustment of quotas. The August 1 crop report showed an indicated sugar beet production of 6,801,000 tons of beets as compared with 11,030,000 tons in 1933. This would indicate a production of beet sugar in the United States from the 1934 crop of not more than 1,100,000 short tons raw value. With most of the new crop produced by the end of the year and taking into account stocks of beet sugar on hand January 1, 1933, the available supply is adequate to meet the quota for the calendar year and to provide normal year-end stocks.

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DENVER MILK LICENSE ISSUED

A license which establishes producer prices and a market plan, for the Denver, Co.. milk sales area, will become effective September 1. It was developed at the request of the Colorado Dairymen's Cooperative Association. Producer prices f.o.b. distributors' plants are: Class 1 milk, used for direct consumption, 50 cents per pound of butterfat or about 3.8 cents per quart on 3.5 per cent milk; Class 2 milk used for cream and secondary products, the average current quotation on Chicago 92 score butter plus 20 cents plus five cents per pound of butterfat; Class 3 milk, the quotation for 92 score Chicago butter plus 15 percent.

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RULING ON SALE OF EXCESS FLUE-CURED TOBACCO

Flue-cured tobacco growers who have signed adjustment contracts and whose production in 1934 is less than their allotment, may, if they so elect, sell flue-cured tobacco grown by other contracting growers whose production exceeds their allotment, according to an administrative ruling announced by the Agricultural Adjustment Administration. Flue-cured tobacco marketing and allotment cards are being distributed before the opening of the markets in all states in which this tobacco is grown. Each grower who has complied with the provisions of his contract is given a marketing card and allotment cards covering 80 percent of his base tobacco production. Tax-payment warrants are issued as sales are made. At the time each sale of tobacco is made, the number of pounds sold is entered on the allotment card. A contracting producer whose production exceeds 80 percent of his base production may arrange to sell all or a part of this excess production under the allotment card of another contracting grower whose production is less than his allotment. In such cases, tax-payment warrants will be issued in the name of the owner of the marketing and allotment cards under which the excess tobacco is sold. Any arrangements made between contracting growers to utilize allotment cards other than their own for selling tobacco are private transactions. Contracting growers who produce in excess of their allotment will not be permitted to market this excess tobacco and pay the tax provided under the Kerr-Smith Tobacco Act but may arrange to sell this tobacco under another contracting grower's allotment card. Adjustment payments to be made under the voluntary contracts will be based on the number of pounds shown on the marketing card of each grower as having been sold regardless of whether all the tobacco sold under any individual marketing card was produced by the person to whom the card is issued. Each person to whom a marketing card is issued will be required to certify that all tobacco sold under it was produced under a tobacco production adjustment contract covering his own or some other farm. Growers who have not signed contracts should make application for tax-payment warrants at the office of their county agent.

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COUNTY AGENTS NOTIFIED OF SOYBEAN HAY BUYING

Notification of the soybean hay purchase plan of the Federal Surplus Relief Corporation is being sent to county agents in the affected areas. Under this plan, the Federal Surplus Relief Corporation notified the Agricultural Adjustment Administration that it was "ready to purchase between 50,000 and 150,000 tons of soybean hay of a grade equal to or better than U. S. No. 2, at $15 per ton." The purpose of the purchase plan is to conserve the soybean hay crop as a step toward alleviating the shortage of forage feeds which threatens the drought regions. County agents are being requested to notify soybean producers in their areas of the purchase program and enable them to dispose of crops now being harvested to the Federal Surplus Relief Corporation or to other buyers.

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DROUGHT SHEEP BUYING HEADQUARTERS AT DENVER

Establishment of headquarters at Denver, Col., for the sheep-buying project of the Drought Relief Service for western states was announced by the Agricultural Adjustment Administration. The program is designed to salvage and convert into meat for relief purposes, large numbers of sheep which are threatened with loss because of drought. Contracts for sheep purchases are now being printed. Actual buying of sheep will be started shortly. The Agricultural Adjustment Administration will pay $2 for ewes one year old or older. Angora goats also will be purchased under this program, at a price of $1.40 each for animals one year old or older. Animals which are suitable for use as food will be turned over to the Federal Surplus Relief Corporation to be slaughtered and processed for relief purposes, as is being done with drought cattle now being purchased.

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SAVANNAH, GA. GETS MILK LICENSE

A license for the milk sales area of Savannah, Ga., became effective August 16. It was requested by the Better Milk Cooperative League, which represents about 90 percent of the volume of production for this market. Class 1 milk, according to the license schedule, will bring producers 28 cents per gallon or 7 cents per quart f.o.b. the city plants on milk within the specified fat range of 4 to 4.5 percent. This is about equal to $3.25 per hundred on the average delivered milk of 4.2 percent fat and approximates $2.97 per hundredweight for 3.5 percent milk. This price furnishes a substantial increase over the recent price to producers of 23 cents per gallon or 5.7 cents per quart, with retail delivered milk selling for 13 cents per quart. Class 2 milk is scheduled in the license at a price equal to one-half the average quotation for Chicago 92 score butter plus 25 percent plus one cent per gallon. It would equal about $1.66 per hundredweight under current quotations. Class 3 milk is rated at one-third of the average Chicago 92 score butter price plus 4 cents per gallon.

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TULSA, OKLA., MILK LICENSE ISSUED

A license for the milk sales area of Tulsa, Okla., will become effective August 21. It provides for a straight equalization pool, a minimum resale price schedule, and established prices to producers f.o.b. the distributors' plants, with accounting and market services to be in charge of a bonded administrator. Producers' prices defined in the license are based on four percent milk delivered to distributors' city plants and are as follows: Class 1 milk used for direct consumption, $2.40 per 100 pounds. Class 2 milk for cream purposes, $1.90 per 100 pounds. Class 3 milk, or that above other requirements, four times the average price of Chicago 90-score or carlot standard butter, plus 10 cents per hundredweight. It is believed that the license schedule means an advance in delivered prices to farmers amounting to 50 cents per hundred on Class 1 milk and about 57 cents per hundred on Class 2 milk.

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HEARING TO AMEND DRY SKIM MILK PACT

A public hearing on a proposed amendment to the existing marketing agreement for the dry skim milk industry will be held in Chicago, Ill., on August 21. The proposed amendment would permit the organization of a non-profit marketing corporation, subject to the prior approval of the Secretary of Agriculture. The corporation would study and recommend methods of aiding the manufacturers of dry skim milk through general service and the purchasing, storing and orderly distribution of surplus.

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FLORIDA CITRUS AGREEMENT AND LICENSE TERMINATED

An order terminating the marketing agreement and license for the citrus industry of Florida became effective August 13. The termination of the agreement and license will not relieve any licensee from any obligation incurred pursuant to the license prior to August 13, nor will it relieve any licensee from the penalties provided in case of violation of the license prior to the date of termination. The control committee will continue to function as a liquidating agency, and must, upon direction of the Secretary of Agriculture, account to such person or agency as the Secretary directs, and turn over all funds in the hands of the committee to such appointee. A hearing on a new marketing agreement for the industry in Florida was held at Orlando, August 14.

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AMEND MILK LICENSE FOR PORT HURON, MICH.

In order to place the Class 1 milk price under the existing license for Port Huron ,Mich., more closely in line with the present Class 1 price to producers at Detroit, the Agricultural Adjustment Administration advanced the Port Huron price from $1.85 to $2 per 100 pounds of Class 1 milk, 3.5 percent butterfat, f.o.b. the distributors' plants. An amendment to the license became effective August 18. No change was made in the other producer price schedules.

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TWO KANSAS MILK LICENSES AMENDED

Producers selling milk in the Wichita and Leavenworth, Kans., sales areas, will receive 40 cents more for each 100 pounds of Class 1 milk under amendments to the licenses for the two areas which become effective August 18. The increased price was sought by producer interests because of severe drought conditions in the areas producing milk for these markets. The changes advance the Class 1 price f.o.b. distributors' plants from $1.75 to $2.15 on 3.5 percent milk, which amounts to an advance from 3.7 cents to 4.6 cents per quart, farm price delivered.

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TWIN CITIES MILK LICENSE AMENDED

An amendment to the license for the St. Paul and Minneapolis, Minn., milk sales area became effective August 17. It increases the producer price for Class 1 milk from $1.60 per 100 pounds delivered, to $2 per 100 pounds.

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AMEND LINCOLN, NEB. MILK LICENSE

Under an amended license which became effective August 18, producers supplying the Lincoln, Neb. milk sales area will receive 54 cents per pound of butterfat in Class 1 milk insetad of 45 cents, the former price. The request for the increase was made by the Lincoln Non-Stock Cooperative Milk Producers' Association and arose out of widespread drought conditions in the area. The new price places the price to producers in line with the schedules on adjacent markets. The advance amounts to approximately seven-tenths of one cent per quart, or about 31 cents per 100 pounds of 3.5 percent milk.

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MILK AGREEMENT HEARING AT BENTON, ILL.

A hearing on a proposed milk marketing agreement and license for distributing agencies will be held at Benton, Ill., on August 24. The tentative agreement and license was requested by the Sanitary Milk Producers, Inc., of St. Louis, and the Illinois Agricultural Association.

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CALIFORNIA DRIED PRUNE LICENSE AND AGREEMENT

A marketing agreement and a license for dried prunes produced in California became effective August 17. The license makes the terms of the agreement binding on all handlers in the California dried prune industry. The agreement will limit the quantity of prunes that handlers may purchase directly from growers and provides for adjusting the total supply of prunes available for shipment during the marketing year to the effective demand, and the segregation and control of the use of sub-standard grade prunes.

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CORN LOAN REPAYMENTS EXCEED MILLION DAILY

Corn loans, which were made last winter and spring to mid-western farmers to the total of $120,647,500 ,are being repaid to the Government at the rate of more that a million dollars a day although the maturity date for the loans some weeks ago was extended from August 1 to September 1. More than 35 million dollars has already been received and the loans were being repaid at an increasing rate. The loans were made starting last November at the rate of 45 cents a bushel for corn which was put under seal on the farm or in authorized public warehouses. In many communities, corn was below 20 cents a bushel when the loans were started, and in others as high as 35 cents, but all of the 142,368 borrowers have had the direct financial advantage of the price rise the last few months. A total of 256,532,000 bushels of corn was under seal when making of loans ceased May 1. The corn loan plan was inaugurated to provide an immediate stimulus to farm purchasing power and to supplement the corn-hog production adjustment program. The plan has meant not only a higher price for all corn but the entire corn loan program has been of immense value, administration officials pointed out, in conserving the feed supply in view of the ravages of the drought this year. It has illustrated, they say, what a loan program can do in storing feed on the farm in years of plenty for the years of shortage.

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ADJUSTMENT PROGRAM EASES TENSION ON FEED SUPPLIES

The supply of grain per grain-consuming animal unit during the current season, in spite of the drought, will be approximately 6 percent greater, and the supply of hay per hay-and-pasture-consuming animal unit will be approximately 17 percent greater than otherwise might have been the case without the net downward adjustment in hog, cattle and sheep numbers and the net increase in forage pasture and hay crop plantings, due to the various commodity adjustment programs now effectuated under the Agricultural Adjustment Act, it was estimated by the Secretary of Agriculture. According to the August 15 report on the drought situation, prepared by the Department of Agriculture, approximately 58,101,000 tons of grain will be available to the estimated total of 106,129,000 grain-consuming animal units which will be on hand during the current season. Without the net reduction in livestock numbers beyond the adjustment that normally would have been made under identical conditions, the total number of grain-consuming animal units likely would have totaled 124,244,000 instead of the present estimate of 106,129,000. In the case of hay supplies, approximately 53,671,000 tons will be available to the 79,625,000 hay and pasture consuming animal units. The current supply of 53,671,000 tons of hay is probably 6,909,000 tons or around 13 percent greater than it otherwise would have been, as a result of the encouraged shift from basic commodities to hay and forage production under the adjustment program.

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CORN WET MILLING INDUSTRY CODE HEARING

A public hearing on a proposed code of fair competition for the corn wet milling industry which produces such corn products as starch, corn syrup, sugars, feed, and oils will be held August 23, in Washington, D. C.

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OZARK GRAPE AGREEMENT HEARING

A public hearing on a proposed marketing agreement for the grape industry in the Ozark region of Missouri and Arkansas will be held at Fayetteville, Ark., August 24. The agreement proposes to improve returns to growers by adjusting the supply of grapes to market demand and to limit shipments through a system of certificates.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 47 August 25, 1934

MAY PLANT 90 PERCENT OF BASE WHEAT ACRES

Decision to authorize, in connection with the 1935 wheat program, the planting of 90 percent of the base acreage of signers of wheat adjustment contracts, was announced by the Agricultural Adjustment Administration. This course is expected to produce, under average weather conditions and allowing for the normal abandonment of wheat acreage, approximately 775 million bushels of wheat for harvest in 1935. Benefit payments to cooperating producers would total approximately 102 million dollars at the rate of 29 cents per bushel on the domestic allotment of the base production of the cooperating producers, as was announced early in July. Some 51½ million acres of the Nation's base wheat acreage of 66 million acres, is covered by the contracts which have been signed by producers. Planting of 90 percent, or approximately 46 million acres of this land would be authorized under the plan. The anticipated national total production of 775 million bushels of wheat, from farms of cooperators and others,- together with an estimated carryover of 125 million bushels at the beginning of this marketing year, would provide a total supply of 900 million bushels of wheat to care for the domestic consumption, which has averaged 625 million bushels per year in the past. This would leave a total of 275 million bushels available in 1935-36 for export and carryover.

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45 MILLION IN CORN-HOG PAYMENTS REACH FARMERS

With corn-hog checks now going out to cooperating producers at the rate of nearly two million dollars a day, total disbursements through August 24, approximated $45,550,000. This amount represents over one-third of the total first installment of approximately $133,000,000 now going to signers of the 1934 corn-hog adjustment contract. The number of checks in which the payments were made totals 480,197. Approximately one half of all contracts have now been received in Washington. A preliminary report shows that through August 17 the following corn-hog payments had been made: Alabama, $175,994.50; Arizona, $17,168; Arkansas, $180,292; California, $347,665.10; Colorado, $35,572; Florida, $36,891.50; Illinois, $657,712.85; Indiana, $2,742,038.30; Iowa, $8,143,490.85; Kansas, $1,333,132.65; Maryland, $36,887.65; Massachusetts, $142,856; Michigan, $680; Minnesota, $2,775,426.25; Missouri, $4,847,567.65; Montana, $53,259.95; Nebraska, $3,796,950.60; Nevada, $22,313.05; New Hampshire, $1,468; New Mexico, $39,357.25; North Dakota, $16,652.80; Ohio, $4,940,270.95; Oklahoma, $28,516.20; South Carolina, $152.50; South Dakota, $1,885,988.60; Tennessee, $28,214.15; Texas, $84,483.05; Utah, $43,298.60; Virginia, $467,645.05; West Virginia, $54,387.50; Washington, $224,722.15; Wisconsin, $1,005,820.05.

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PEANUT ADJUSTMENT PLAN BEING DEVELOPED

Rental and benefit payments will be made on peanuts, designated by the last Congress as a basic agricultural commodity under the Agricultural Adjustment Act, according to a proclamation announced by the Agricultural Adjustment Administration. The payments will be derived from a processing tax, the rate and scope of which will be considered at a public hearing to be held August 31, in Washington, D. C. The peanut adjustment program now being developed provides for diverting a portion of the 1933 and 1934 crops from the shelling to the oil trade and for adjusting the plantings in 1935. Consideration also is being given to a marketing agreement which would supplement the production adjustment program. A conference will be held in Washington on August 30 for the purpose of determining whether shellers and millers desire to enter into a marketing agreement for the comming season. The average price paid farmers for peanuts during the last marketing season was 2.9 cents a pound as compared with 1.6 cents a pound in 1932. Peanuts are grown commercially in Virginia, North Carolina, South Carolina, Georgia, Florida, Tennessee, Alabama, Mississippi, Arkansas, Louisiana, Oklahoma and Texas. Approximately 200,000 growers produce around one billion pounds of peanuts annually.

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SUGAR IMPORTS FOR RE-EXPORT NOT CHARGEABLE TO QUOTAS

Sugar brought into the United States for refining and re-export, for use in the manufacture of other products and their export, or for refining and return to customs custody and control until permitted to be brought in under a quota, will not be charged to the import quota of the country of its origin, under an order announced by the Agricultural Adjustment Administration. Persons wishing to take advantage of this order will be required to give bond in an amount equal to three times the value of the sugar in order to protect the United States against their failure to re-export the sugar or return it to customs custody and control. The condition follows the provisions of the Costigan-Jones Act with respect to penalties.

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RICE AGREEMENT AMENDED TO REQUIRE GRADING

Provision for compulsory grading of rough rice has been incorporated in the marketing agreement and license for the southern rice milling industry, in Louisiana, Arkansas, Texas and Tennessee. An order affecting the marketing agreement and an amendment to the license became effective August 20. The object is to assure the grower of rice the full price contemplated by the Secretary of Agriculture. Without proper grading certificates it was difficult to obtain for producers a price to which they were entitled. The amendment designates the official Rice Inspection Service of the Bureau of Agricultural Economics, Department of Agriculture, as the governmental agency by which grading shall be done.

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THREE PRODUCE LICENSES TO ENFORCE AGREEMENTS

Three licenses, covering the shipment of watermelons for southeastern states, strawberries grown in Florida, and Gravenstein apples produced in California, became effective August 20. The licenses make binding on all shippers the terms of the marketing agreements now in effect for these respective industries.

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CORN LOANS EXTENDED TO JANUARY 1, 1935

Government corn loans made through the Commodity Credit Corporation were further extended from September 1 to January 1, 1935, provided borrowers execute and return to the Commodity Credit Corporation a prescribed form of extension agreement by not later than October 1. To obtain this extension borrowers will be required to provide satisfactory storage for the corn until March 1, 1935 free of cost to the Government, and in the event they desire to sell their corn subsequent to September 15 to first offer it for sale at the local elevator market price to such agency of the United States Government as Commodity Credit Corporation may designate by public announcement. If the Commodity Credit Corporation designates no agency of the Federal Government to which the corn is to be offered, or if the agency designated does not accept the borrower's offer immediately, the borrower will be free to dispose of the corn in commercial channels, except that all sales of pledged corn other than to a Government agency require the consent of Commodity Credit Corporation and must be made in accordance with the procedure heretofore approved. At present there are approximately 186,000,000 bushels of corn sealed on the farm and held under the Government loans. The largest amount held since the loans were made available was approximately 270,000,000 bushels.

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FEDERAL SEED BUYING UNDER WAY

More than 2 million bushels of seed had been purchased by the Agricultural Adjustment Administration to the close of business August 21, in its effort to insure sufficient quantities of properly adapted varieties of seed for planting 1935 crops. Seed purchased to date includes both spring and winter wheat, oats, barley, and flax. Spring wheat purchases top the list, with 1,068,500 bushels acquired. Durum wheat seed purchases amount to 37,300 bushels. The Government has bought 781,000 bushels of oats and 324,500 bushels of barley. Flax purchases to date total 1,500 bushels of seed.

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1934 COTTON PAYMENTS NEAR 40 MILLION MARK

Rental payments to cotton farmers cooperating in the 1934 acreage adjustment program totaled $39,655,000 on August 24. This money, paid in 1,039 checks, is part of the first rental payment of approximately 50 million dollars which is now being made to cotton farmers. As soon as it is completed and compliance with the cotton acreage reduction contract has been certified, payment of a second installment of 50 million dollars will begin. In addition to approximately 100 million dollars in rental payments, cotton farmers next December will receive a parity payment totalling approximatelv 25 million dollars.

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POOL MEMBERS MAY SELL OR GET 2-CENT ADVANCE

Members of the 1933 cotton producers pool who hold participation trust certificates will have the opportunity to obtain the benefits of the 12-cent loan plan announced August 21 by the President or may tender their certificates to the pool and receive the market price, the manager of the Agricultural Adjustment Administration cotton pool announced. Pool members now owe to the pool against cotton as evidenced by their certificates, 10 cents per pound plus carrying charges. Under the plan pool members may receive an additional two cents per pound less accrued carrying charges to October 1. The cotton pool has approximately 1,950,000 bales of cotton held by around 450,000 cotton growers. If all members desire the two-cent advance, approximately $14,820,000 will be distributed among them.

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LOS ANGELES PRODUCERS GET HIGHER MILK PRICES

Increases in the Class 1 price for milk amounting to about 24 cents per 100 pounds of 4 percent milk, and a corresponding increase in the minimum resale price per quart, are contained in amendments to the license for the Los Angeles, Calif., milk sales area. The amendments became effective August 22. According to the amended license, Class 1 milk will bring producers 61 cents per pound of butterfat instead of 55 cents. No changes are made in the schedules for Class 2 and 3 milk. Firmer butter markets and higher feed prices in a large portion of the production zone are reasons advanced by producers for the increased proce.

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LEXINGTON MILK LICENSE CHANGED TO CONDITIONS

An amended license for the Lexington, Ky., milk sales area, which adjusts certain minor provisions of the existing license to meet practical conditions of the market will go into effect on September 1. The changes in the license were made at the request of members of the industry, including the Lexington Graded Milk Producers Association. Established prices to producers are not changed.

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BOSTON MILK LICENSE GETS MINOR CHANGES

Changes in the formula established for determination of differentials in payment for milk which varies either way from the 3.7 percent standard test on the Boston market, and a provision that permits the market administrator to set up advance reserve funds to facilitate prompt settlement of pool obligations, are principal amendments to the existing license for the Boston, Mass., milk sales area. Requested by the New England Milk Producers Association and the market administrator, the amended license became effective August 22.

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MINOR AMENDMENTS TO CHIGAGO MILK LICENSE

Minor technical adjustments in the terms of the existing license for the Chicago, Ill., milk sales area are embodied in amendments which became effective August 22. They provide that the market administrator may deduct from the pool fund an amount of money needed for maintenance of a proper reserve fund against failure or delay on the part of distributors to make their payments on the general adjustment account. Any sums which may accrue in the reserve beyond the necessary requirements will be placed in the pool and distributed to producers. Distributors are prohibited from selling milk or buying it from other distributors for Class 1 purposes at less than the established schedule price to farmers for Class 1 milk. Reasonable charges for bottling and other handling services must be included in connection with such purchases or sales. It is also provided that contracts between distributors for the purchase and delivery of milk are superseded by the terms of the license if they are inconsistent with the license terms.

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CLING PEACH LICENSE AMENDED

An amendment to the license for canners of cling peaches grown in California became effective August 20. It provides that any state unemployment relief agency and the Federal Surplus Relief Corporation and all contracts, dealings, or other agreements between the state unemployment relief agencies or the Federal Surplus Relief Corporation and canners shall be exempt from the provisions of the license.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 48 September 1, 1934

CORN-HOG PAYMENTS NOW EXCEED 55 MILLION

Almost one-half of the estimated first instalment of 133 million dollars has been paid to producers participating in the corn-hog program, the Agricultural Adjustment Administration announced in a preliminary report. Disbursements now total over 55 million dollars paid in over 566,500 checks. The preliminary report shows that up to August 29, corn-hog payments had been made by states as follows: Alabama, $181,747; Arizona, $17,168; Arkansas, $205,767; California, $602,564; Colorado, $73,930; Florida, $74,088; Georgia, $520; Idaho, $6,218; Illinois, $746,289; Indiana, $4,298,637; Iowa, $12,627,089; Kansas, $3,246,919; Maryland, $43,607; Massachusetts, $148,681; Michigan, $41,336; Minnesota, $3,565,404; Missouri, $6,239,668; Montana, $65,631; Nebraska, $5,-184,906; Nevada, $23,951; New Hampshire, $1,468; New Mexico, $52,039; New York, $3,277; North Dakota, $118,671; Ohio, $6,361,972; Oklahoma, $43,179; South Carolina, $152; South Dakota, $3,032,482; Tennessee, $54,719; Texas, $387,756; Utah, $49,102; Vermont, $1,596; Virginia, $543,515; West Virginia, $54,535; Washington, $230,735; Wisconsin, $1,304,497.

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SHEEP-BUYING PROGRAM PROCEDURE ANNOUNCED

Procedure to be followed in the purchase of sheep and Angora goats in drought-stricken western states was announced by the Agricultural Adjustment Administration. In making purchases, priority will be given to those areas which are in the most distressed condition because of the drought. Purchases will be made only from those producers who have not sufficient stocks of feed to maintain their full flocks. Such conditions must be due to the ravages of the drought. The producer who wishes to sell some of his animals must make application to the county drought director, and the animals offered, if conditions are complied with, will then be classified as fit or unfit for use. Only female animals one year old or older will be purchased and payments will be $2 each for sheep and $1.40 each for Angora goats. The total payment will be divided equally between purchase payments and "service and disposition payments". The "service and disposition payment" will be paid to the producer for delivery of animals and pelts, and the purchase payment will be paid jointly to the producer and the lienholders or joint owners if any. Animals fit for consumption and all pelts will be donated to the Federal Surplus Relief Corporation for relief purposes. None of the animals or their products will enter commercial channels.

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CALIFORNIA WINE GRAPE AGREEMENT HEARING

A public hearing on a proposed agreement and license for the California wine grape industry will be held at San Francisco, Calif., September 10. The proposed agreement is for the purpose of maintaining prices to growers through control of shipments and establishment of minimum prices.

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OVER 779 MILLION TO BE PAID IN BENEFITS

A state-by-state tabulation showing the probable distribution of $779,402,000 that it is estimated will be disbursed in rental and benefit payments to producers cooperating in the 1933, 1934 and 1935 adjustment programs for wheat, cotton, corn-hogs, and tobacco, has been issued by the Agricultural Adjustment Administration. These benefit payments, a large part of which add to the farm income in the calendar year 1934, help to assure that farmers as a whole will have a larger cash income in 1934 than in 1933. While production has been greatly reduced, farm commodity prices are enough higher than in 1933 to more than offset the reduced volume of production, and with benefit payments the farm buying power in the nation as a whole will be greater than during last year. The benefit payments distributed in a single state do not constitute an accurate indication of the total benefits involved. Industrial states have received wide benefits from the increased purchasing power in rural areas. Surveys made last year following the distribution of cotton and wheat checks clearly indicated that the increase in farm purchasing power was a definite factor in general recovery. It was pointed out that the volume of processing taxes collected in any single state did not represent the payments made by citizens of that state in the form of processing taxes. The states in which processing plants are located are merely the points of collection, it was emphasized, and the processing taxes are paid by consumers in all states in proportion to their consumption of the commodity on which the tax is levid. The following is the estimated totals to be received by cooperating farmers in the various states: Alabama, $20,557,000; Arizona, $1,359,000; Arkansas, $23,456,000; California, $6,064,000; Colorado, $7,057,000; Connecticut, $890,000; Delaware, $266,000; Florida, $1,122,000; Georgia, $19,690,000; Idaho, $8,472,000; Illinois, $43,331,000; Indiana, $28,589,000; Iowa, $76,624,000; Kansas, $66,-220,000; Kentucky, $15,168,000; Louisiana, $11,440,000; Maine, $5,000; Maryland, $2,343,000; Massachusetts, $734,000; Michigan, $5,358,000; Minnesota, $18,-829,000; Mississippi, $23,183,000; Missouri, $33,616,000; Montana, $13,101,000; Nebraska, $41,485,000; Nevada, $128,000; New Hampshire, $63,000; New Jersey, $281,000; New Mexico, $2,945,000; New York, $760,000; North Carolina, $21,735,-000; North Dakota, $33,074,000; Ohio, $23,044,000; Oklahoma, $39,767,000; Oregon, $6,717,000; Pennsylvania, $2,257,000; Rhode Island, $5,000; South Carolina, $13,846,000; South Dakota, $24,535,000; Tennessee, $14,494,000; Texas, $93,981,000; Utah, $1,583,000; Vermont, $109,000; Virginia, $5,145,000; Washington, $12,945,000; West Virginia, $681,000; Wisconsin, $10,194,000; Wyoming, $1,154,000; P9erto Rico, $1,000,000.

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THREE MILK LICENSES AMENDED

Three licenses for the milk sales areas of Oklahoma City, Okla., Almeda County, Calif., and the Quad Cities of Iowa and Illinois, were amended to give producers higher prices because of conditions resulting from the drought. The Oklahoma City amended license becomes effective September 4 and provides a producer price of $2.40 per 100 pounds of Class 1 milk testing 4 percent, instead of $1.90. The amendment to the Alameda County license raises the Class 1 price from 56 cents per pound butterfat to 62 cents. The amended license for the Quad Cities increases the Class 1 price from $1.65 to $1.80 per 100 pounds. These two amendments became effective September 1.

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FORT WORTH, TEXAS, GETS MILK LICENSE

A license for the milk sales area of Ft. Worth, Texas, became effective September 1. Producers will receive $2.60 per 100 pounds of 4 percent milk, f.o.b., distributors' plants. Class 2 milk will bring producers $1.90 per hundredweight. The formula for Class 3 milk in the license is four times the average monthly quotation for 90 score butter at Chicago.

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RAILROADS WILL NOT EXTEND FREIGHT RATE REDUCTION

Reduced emergency rates on livestock feed, water and cattle to be shipped to grazing areas will not be extended, the President's Drought Relief Committee has been advised by the chairman of the Association of Western Railway Executives. The President's committee on August 17 requested that the emergency reductions be extended. This request was considered at a meeting of the railroad executives in Chicago on August 28. Following this meeting, the committee was notified that the request had been denied. The present reduced rates expire with September 4. Emergency freight tariffs providing reduced rates on hay, coarse grains, livestock feeds and livestock were issued June 2, effective June 4. These reductions were extended each month, the last extension being made on August 4. The reduced rates applying in the western territory provided a 50 percent reduction on hay, 33 1/3 percent reduction on grains and mixed feeds and 50 percent on water. The reductions also included 85 percent of the rate on outbound cattle to other grazing areas and 15 percent of the regular rate on the return movement.

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SECOND WHEAT PAYMENTS MOVE TO FARMERS

Payments on the second instalments of benefits due to cooperating wheat producers under the Agricultural Adjustment Administration's 1933 wheat adjustment contract, now total over $104,400. Payment of the second instalment of the benefits follows the approval of the certificates showing that the producers have complied with the terms of their contracts. A total of 3,156 checks have been forwarded to farmers in 11 States. The payments on the second instalment of the benefits are expected to total approximately 30 million dollars in addition to the 68 million dollars that has been paid out on the first instalments. Wheat section officials point out that the auditing of the compliance certificates also clears the way for payment of the first instalment on the 1934 adjustment payment, which will total approximately 70 million dollars and is payable in October, without further auditing.

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RICE OVER ALLOTMENTS MAY BE HARVESTED

Rice growers cooperating in the adjustment program for the southern rice industry of Louisiana, Arkansas, Texas and Tennessee will this year be permitted to harvest acreage exceeding individual allotments, under conditions of an administrative ruling announced by the Agricultural Adjustment Administration. The new ruling follows a previous ruling allowing growers a lee-way of 5 percent in plantings above individual allotments. It has been made so that all planted rice may be harvested this year to assist in meeting the feed grain and fodder shortage. While under the earlier ruling, growers might harvest as much as 105 percent of the acreage alloted to them without being considered non-compliance to the program, they may now harvest all of their planted acreage. Growers will receive full adjustment payments on the allotment assigned them, unless the individual's acreage should exceed 105 percent of the allotment. In cases where the excess is above the allotment and the 5 percent allowance, one percent will be deducted from the amount of the adjustment payments for every one percent of such excess.

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WALNUT AGREEMENT AND LICENSE AMENDED

Amendments to the marketing agreement and an amended license for packers of walnuts grown in California became effective August 27. The amendments include provisions designed to extend the minimum price and surplus control provisions of the marketing agreement and license to all merchantable walnuts including "orchard run", whether sold in the current of interstate or foreign commerce, or in interstate channels which in any manner burdens such interstate or foreign commerce.

FOUR NEW ENGLAND AREAS GET HIGHER MILK PRICE

Prices to producers for Class 1 milk of 3.7 per cent butterfat content, f.o.b. distributors' plants, are increased by about 38 cents per 100 pounds, under amendments to the licenses now in effect in the sales areas of Providence and Newport, R.I., and Fall River and New Bedford, Mass. The amendments are effective as of September 1. The Class 1 price is established at $3.40 per 100 pounds, or about 7.3 cents per quart. The former price was $3.02 per 100 pounds, or 6.5 cents per quart. Requests for the increases came from the Local Dairymen's Association of Newport and Providence, and producers' associations at New Bedford and Fall River, as well as from the New England Milk Producers' Association. Adverse pasture conditions, higher feed and other producing costs are among the chief reasons given for the requested increase. Incidental to the advance Class 1 price, the provisions restricting new producers to accept Class 3 prices for probation periods has been temporarily removed from the licenses.

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SEEK TO RESTRAIN BOSTON MILK LICENSE VIOLATOR

At the request of the Agricultural Adjustment Administration, the Department of Justice has filed a bill of complaint seeking to restrain the Whiting Companies, second largest milk distributors in the Boston, Mass., market, from continued violation of the license for the greater Boston market. At the same time, the Agricultural Adjustment Administration reiterated its policy against including resale prices in licenses. The suit filed against the Whiting Companies is the result of the failure of this large distributing company to pay the producers' price for milk as established in the license for the pooling period from July 16 to July 31. The failure of this company to maintain the farm price as prescribed in the license schedule followed a price war among distributing agencies in a competitive effort to increase their share of the volume of milk sold in Boston.

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AGREEMENT HEARING FOR MICHIGAN GRAPES

A public hearing on a proposed marketing agreement and license for grapes grown in Kalamazoo, Berrien, and Van B.ren counties in Michigan will be held at Benton Harbor, Mich., September 7. The proposed agreement contains provisions for proration of shipments to be based on the total quantity of grapes available and the quantities that it is advisable to ship, such prorating to be done through a system of certificates. A control committee of 11 members representative of shippers and growers from the three counties would administer the agreement.

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BURLEY PROCESSING TAX HEARING

A hearing on the processing tax on Burley tobacco used in the manufacture of plug chewing tobacco and twist will be held at Internal Revenue Building, Washington, D.C., September 5. It was stated in the notice of hearing that the Secretary of Agriculture had "reason to believe that the processing tax at such rate as equals the difference between the current average farm price and the fair exchange value on the processing of Burley tobacco used in the manufacture of plug chewing and twist will cause such reduction in the quantity of plug chewing tobacco and twist, domestically consumed, manufactured from Burley tobacco, as to result in the accumulation of surplus stocks thereof." If it is found that such results will occur, the notice said, "then the processing tax on Burley tobacco used in the manufacture of plug chewing tobacco and twist will be at such rate as will prevent accumulation of surplus stocks thereof."

FEED SUPPLY PLAN FOR DROUGHT AREAS

Plans for close cooperation between the Government and the livestock feed trade, to insure an adequate supply of feeds at equitable prices in the drought areas during the coming winter, were announced by the Agricultural Adjustment Administration. It is the Government's intention to handle the problem through established commercial agencies. The plan provides for strict vigilance on the part of the trade itself to prevent profiteering, and unwarranted speculative price advances, and to assist in equalizing distribution. It is indicated that if the trade should be unable to prevent or curb these practices, the Government may take action. Following conferences with nationally known leaders of the grain and feed trades, the Agricultural Adjustment Administration plans to establish a clearing house for handling all information on availability, sale and purchase of hay and other feeds. The plan is based upon cooperation between the local feedstuff dealers, the county agents directing drought activities, and the county representatives of the Federal Emergency Relief Administration and the Farm Credit Administration. Briefly, it provides that drought counties needing livestock feeds of any kind will first consolidate all requirements and then notify the clearing house of the nature and quantities of the feeds required. The clearing house will supply the inquiring counties with information on their best source of supply, taking quantity, price and location into consideration. The counties will then send to the indicated market consolidated orders covering all county needs, and the dealers in the indicated market will ship the order direct to the counties, consigned to local dealers. In the counties, distribution of the feeds will be handled through the local commercial dealers on a service charge basis. The commercial agencies, from manufacturer to dealer, will finance their own operations. The individual farmer-buyer may pay for feed with cash from his own pocket, he may borrow from the Farm Credit Administration, or he may get an order for feed from the local representative of the Federal Emergency Relief Administration, if his situation is such as to entitle him to relief.

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DRAFT SUGAR BEET ADJUSTMENT CONTRACT

The adjustment contract for sugar beet producers is now being drafted in the sugar section of the Agricultural Adjustment Administration, and will be offered to growers in the near future. The sugar beet program, seeking to adjust domestic sugar production from beets to the 1,550,000 short tons allocated in the Costigan-Jones Act, will cover production in 1935 and 1936, and will pay producers adjustment payments in order to bring their income to parity. Acreage for 1935 and 1936 will be reduced only slightly under that of last year, which was the highest in the history of the industry. It is estimated that adjustment payments to producers on the 1934 crop will be more than 10 million dollars, of which the first instalment is expected to reach growers before the end of 1934. Field workers of the sugar section, producers, and processors are cooperating in drafting the contract.

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COMPILE ALLOTMENTS FOR LOUISIANA SUGARCANE

Factory records showing how much sugarcane Louisiana farmers delivered to sugar mills in the last five years, have been sent to county agents in Louisiana for use in establishing allotments for producers under the sugar program of the Agricultural Adjustment Administration. The Louisiana program, which seeks to maintain sugar production in that state at approximately 215,000 tons annually, contemplates benefit payments to producers on their 1934, 1935, and 1936 crops. Benefits for the 1934 crop are estimated at more than 4 million dollars. Meetings will be held at which each producer will be given an opportunity to appear and take part in the compiling of his production record.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 49 September 8, 1934

REGIONAL MEETINGS ON CORN REFERENDUM

In a series of six regional conferences next week the livestock feed situation and plans for holding a referendum among corn-hog contract signers throughout the country to determine whether they want any program in 1935 will be discussed with state agricultural leaders, the Administrator of the Agricultural Adjustment Administration announced. The regional conferences will be held at Indianapolis, September 10 and 11; Kansas City, September 12 and 13; St. Paul, September 14 and 15; Salt Lake City, September 14; New York, September 15; and Atlanta, September 19. The conferences will consider the feed situation, and the danger that if no control of feed production is maintained, the farmers may be headed for another disastrous cycle of surpluses. They will seek the advice of farm leaders on a 1935 program to prevent feed grains, especially corn, from getting way out of adjustment with livestock. The conferences will also seek to bring out the ideas of farm leaders as to the manner of conducting a referendum to find out exactly what the corn-hog farmers want to do next year. Representatives of corn-hog association committees from the various states, those who have administered the corn-hog campaign in the states, and directors of state agricultural extension services will attend the regional conferences. Later meetings of county corn-hog production control associations throughout the country will talk over the whole situation and the plans after they are worked out. State representatives will attend the regional conferences as follows: Indianapolis - Ohio, Michigan, Indiana, Illinois, Kentucky, and Tennessee. Kansas City - Missouri, Kansas, Nebraska, Iowa, Oklahoma, Texas and Arkansas. St. Paul - Minnesota, Wisconsin, North Dakota, and South Dakota. Salt Lake City - Colorado, Wyoming, Montana, Idaho, Utah, Oregon, Washington and California. New York City - the northeastern states. Atlanta - The southeastern states.

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OVER 60 MILLION PAID CORN-HOG GROWERS

Producers cooperating in the corn-hog adjustment program received through September 7, over 60 million dollars in 637,500 checks. Of the 1,200,000 corn-hog contracts signed by producers, approximately 740,766 contracts had been received by the rental benefit audit section of the Agricultural Adjustment Administration through September 6. A preliminary report on state-by-state payments shows that payments through September 4 were made to corn-hog producers in 37 states as follows: Alabama, $183,604; Arizona, $17,168; Arkansas, $235,022; California, $682,058; Colorado, $129,657; Connecticut, $2,011; Florida, $103,066; Georgia, $36,294; Idaho, $18,356; Illinois, $1,258,660; Indiana, $5,211,764; Iowa, $15,600,929; Kansas, $3,427,474; Maryland, $43,607; Massachusetts, $148,681; Michigan, $103,982; Minnesota, $4,232,325; Missouri, $6,859,341; Montana, $65,631; Nebraska, $5,727,853; Nevada, $25,079; New Hampshire, $1,468; New Mexico, $62,674; New York, $5,217; North Dakota, $129,706; Ohio, $6,591,828; Oklahoma, $120,596; South Carolina, $152; South Dakota, $3,457,527; Tennessee, $85,524; Texas, $426,886; Utah, $56,784; Vermont, $1,596; Virginia, $570,934; Washington, $284,075; West Virginia, $69,335; Wisconsin, $1,650,221.

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POOL TO HANDLE EXCESS COTTON CERTIFICATES

Creation of a national pool to facilitate sales and purchases of surplus tax-exemption certificates issued under the Bankhead Cotton Control Act was announced by the Secretary of Agriculture, who fixed 4 cents a pound as the price for which the tags shall be sold throughout the Cotton Belt. The price is approximately 70 percent of the tax of 5.67 cents a pound imposed by the Act on the ginning of cotton. The pool plan does not provide for Government purchase of any excess certificates. Holders of excess tax-exemption certificates may turn them over to the manager of the national surplus cotton tax-exemption certificate pool who will handle them for producers under a trust agreement. When the pool is closed all funds on hand from sales of certificates, after deducting expenses, will be distributed among producers, and each producer will receive his share in the proportion the poundage surrendered by him bears to the total poundage in the national pool. In addition, each producer will be returned his pro rata share of the unsold surplus certificates, which may be used next year in the event the Bankhead Act is continued another season. The plan also includes provision for local sales of tax-exemption certificates at the same price by individual farmers provided the sales are made through the office of the assistant in cotton adjustment in the county in which the certificates sold were distributed. This means, in effect, that farmers who do not produce as much as their allotment will be able to realize some cash return by selling their excess tax-exemption certificates either through the county assistant in cotton adjustment or through the pool in Washington.

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OVER $4\frac{1}{4}$ MILLION DROUGHT CATTLE BOUGHT

More than four and a quarter million head of drought cattle had been purchased by the Government at the close of business, August 31, the Agricultural Adjustment Administration announced. These cattle had been bought in 21 drought states. Total payments to the same date amounted to $38,811,870. These payments, divided among 220,000 farmers, included benefit payments of $14,154,349 and purchase payments of $24,657,521. These payments covered only 2,860,857 head of cattle purchased. The price averaged $13.57 per head. The purchases to the end of August by states were: Arizona, 54,135 head; Arkansas, 30,080; California, 15,043; Colorado, 128,397; Idaho, 17,075; Iowa, 7,389; Kansas, 197,117; Minnesota, 185,483; Missouri, 244,960; Montana, 234,387; Nebraska, 193,375; Nevada, 13,139; New Mexico, 265,039; North Dakota, 833,845; Oklahoma, 69,098; Oregon, 2,377; South Dakota, 595,851; Texas, 946,379; Utah, 71,751; Wisconsin, 40.075; and Wyoming, 125,632. The complete total was 4,270,627 head.

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CHICAGO MILK PRICE ADVANCE POSTPONED

Because of the relationship now prevailing between the prices paid for fluid milk in the Chicago, Ill., sales area and the prices paid in adjacent areas for milk to be used for other purposes, and because of the competitive situation prevailing in the retail distribution of milk in the Chicago market, consideration of an increase in the price to be paid to producers for Class 1 milk has been deferred to a latter date, the Agricultural Adjustment Administration announced. Such an increase, together with other changes for more effective administration of the license, had been suggested by producers in the area. In the meantime the trends in feed prices and in production and consumption are under close observation. The whole market situation has recently been reviewed by representatives of the dairy section of the Agricultural Adjustment Administration for the purpose of considering proposed changes in the method of paying producers as well as changes in prices.

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SECRETARY COMMENTS ON PROPOSED CORN REFERENDUM

In response to requests for comment on the Agricultural Adjustment Administration's proposed referendum among corn-hog contract signers, the Secretary of Agriculture said: "Late in August I had the opportunity of meeting with several county control associations and as a result, my faith in the possibilities of a true economic democracy, conforming to our political democracy, has been greatly strengthened. The very day I was meeting with one of these associations, word came out from Washington concerning Chester Davis' proposal for a referendum to the county control associations on the 1935 corn-hog program. Such a referendum is in line with the democratic principles under which this Government is founded and will enable us to know where certain economic traffic lights should be placed in 1935. There are dangers ahead with which the county control associations are fully familiar. On most of these associations are found men who remember the great drought of 1894, the bumper crops of the years following, and the terrific drop in corn prices. These men assured me that they and their neighbors would welcome an opportunity to vote on a program designed to prevent the overproduction of cheap grain a year from now which would result in livestock losses in 1936 and 1937. It is not my function to over-persuade the farmers into any definite course of action, but it is very definitely my duty to point out dangers and suggest ways in which they can be avoided. The farmers can express their opinions on proposed courses of action and in case certain types of action are agreed to they can carry out their part in the program through their own democratically selected leaders in the county. We are on our way toward a true economic democracy, designed to rescue our political democracy from the danger of becoming a hollow mockery. It is up to you to become fully acquainted with the fundamental facts having to do with the supply and demand situation in the corn-hog business as it is now working out and is likely to work out in the next two or three years. Such information will enable you to vote in such a way as to bring the greatest prosperity to yourself, your neighbors, and the whole country. The people of the cities have worked on this problem longer than we have and through the corporate form of organization have done much more inventing than we. But I am convinced after meeting with several of the county control associations that the farm people have the ability to build economic democratic machinery which will prove more significient to the welfare of the entire nation than most of the social machinery which has thus far been originated in the cities. The outstanding question now is whether you will take the time to understand the problem and then vote in line with your convictions."

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LOUISIANA GROWERS VERIFY SUGAR RECORDS

Louisiana sugarcane producers who are now being asked to verify factory records showing their past production, should do so at once even though these do not indicate their full past records, according to the sugar section of the Agricultural Adjustment Administration. Any additional information which may be secured from closed mills or other sources will be given full consideration in determining each grower's allotment. Meanwhile, delay in verifying available records will mean delay in getting the sugar program under way in Louisiana and therefore mean delay in the first adjustment payments which are planned to be made by the end of the year. As soon as growers' factory records are verified, contracts will be offered to growers and when these are approved by the Secretary of Agriculture, benefit payments will follow.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Volume 1, Number 50 September 15, 1934

AUTHORIZATION MADE TO BUY RELIEF BUTTER

New authorization for the purchase of substantial amounts of creamery butter from appropriations made available to the Agricultural Adjustment Administration by the Seventy-Third Congress was announced by the Administration. As rapidly as bids are received and accepted, the butter will be moved from regular trade channels into the winter reserve stocks for delivery to the needy and unemployed on relief rolls throughout the country. No definite commitment of the number of pounds of butter to be thus taken from commercial channels during the winter season is made at this time. The Agricultural Adjustment Administration's purchases of butter delivered to date and paid for amount to 47,848,306 pounds, at an approximate value of $10,561,312, all of which has been distributed through the Federal Emergency Relief Administration. This does not include separate purchases of butter made last winter by the Federal Surplus Relief Corporation. In addition to the butter delivered there remains to be delivered a total of 3,053,651 pounds of butter, costing approximately $885,063. Total butter purchases through Agricultural Adjustment Administration funds amount to 50,901,957 pounds. The Administration has also bought and received delivery on 6,047,451 pounds of American cheese at an approximate cost of $884,418, and has yet remaining subject to delivery on order 324,589 pounds additional cheese at a cost of about $55,019. An authorization has also been made to buy 2,805,000 pounds of domestic Swiss cheese at an approximate cost of $600,000. The light carry-over of butter storage stocks on May 1, 1934, was largely due to the Government purchase program of last winter. On September 1 of this year butter storage stocks amounted to 120,000,000 pounds. This amount was not only about 55 million pounds below the average holdings on September 1 for the past five years but was also 20 million pounds below the average holdings of September 1 for the past five years. The lower storage holdings this year were the result of light production during the summer months and a slight increase in consumption during that period.

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DATE SHIPPERS LICENSE AMENDED TO SIMPLIFY GRADES

Approval of a schedule of package standards in accordance with the terms of the marketing agreement for shippers of California dates, and amendments to the license for California date shippers were announced by the Agricultural Adjustment Administration. The amendments to the license become effective September 18. The amendments provide for the establishment of six grade classes for all varieties of dates and represents a simplification and clarification of the 13 grades originally listed. The approved grades are divided into six classes: perishable, standard, dry, true bread dates, culls, and off-grades. Provision is also made for package standards controlling the type and size of package in which dates may be marketed.

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ENCOURAGE PLANTING WHEAT ACRES TO FORAGE

An administrative ruling designed to continue encouragement to cooperating wheat farmers to use their contracted acreage for the production of forage crops in 1935 was announced by the Agricultural Adjustment Administration. Much of this land, which totaled approximately 7,500,000 acres, went into drought resistent forage crops this year as a result ofthe Agricultural Adjustment Administration program. The decision supplements the recent announcement authorizing an increase in 1935 wheat plantings of cooperating wheat farmers up to 90 percent of the three-year base acreage of the wheat program. The 1935 wheat program is expected to produce, under average growing conditions and allowing for normal abandonment, approximately 775 million bushels of wheat for harvest in 1935. By continuing encouragement to plant the contracted acreage to forage crops, Administration officials expect to furnish that much additional insurance against livestock feed shortages if there is a drought next year, and to provide a reserve if weather conditions are favorable. The ruling, which virtually completes the outline for the 1935 wheat program, is the first announcement of the Administration's policy in handling land held out of basic crop production this year. Specifically, the ruling provides that contracted acreage: 1. May be seeded to any grass or legume such as timothy, alfalfa, lespedeza, clover, etc., and these grass crops may be used for hay, pasture, or seed production. 2. May be planted to emergency forage crops such as millet, soybeans, barley, oats, etc., when such crops are used only for hay, pasture, or roughage, and are not grown for seed or allowed to reach maturity. 3. May be summer fallowed, planted to forest trees, or left unplanted, if such action will not cause serious damage from soil erosion and provided that noxious weeds are controlled. 4. May not be used for planting of the basic commodities listed under the Agricultural Adjustment Act. These are: wheat, corn, barley, grain sorghums, flax, rye, cotton, tobacco, rice, sugar beets, sugar cane, and peanuts. Neither may this acreage be used for the production for sale of any special crops such as truck crops, potatoes, or small fruits. Small grains, however, may be used as a nurse or companion crop, provided they are pastured or harvested before maturity. 5. Must be average land oridinarily seeded to wheat on the farm.

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CATTLE PURCHASES NOW OVER 5 MILLION

A total of 5,164,954 cattle had been purchased on the ranges of 21 drought-stricken western states up to September 12, under the Agricultural Adjustment Administration's cattle purchase program. Cattle purchase payments and benefit payments totaling $48,328,695 and covering 3,569,055 head of the drought cattle purchased, were certified to that date. These payments went to 278,577 farmers in 21 states. Purchase payments total $30,658,272 and benefit payments $17,670,423. The average price per head represented by the total payment is $13.54. Cattle purchase figures by states are: Arizona, 58,432; Arkansas, 56,560; California, 16,464; Colorado, 153,833; Idaho, 21,277; Iowa, 11,033; Kansas, 257,472; Minnesota, 192,035; Missouri, 308,161; Montana, 263,442; Nebraska, 245,341; Nevada, 15,364; New Mexico, 319,443; North Dakota, 912,640; Oklahoma, 137,638; Oregon, 5,630; South Dakota, 686,564; Texas, 1,121,615; Utah, 81,626; Wyoming, 156,299; Wisconsin, 44,112. All animals purchased by the Agricultural Adjustment Administration under the drought cattle purchase program are turned over to the Federal Emergency Relief Administration for relief purposes. The animals are slaughtered and the meat is canned for relief use. Some animals are sent to grazing areas to await processing.

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SUGAR PROGRAM PLANS ANNOUNCED

Early action will be taken by the Agricultural Adjustment Administration to provide for the orderly marketing in the United States of accumulated cane sugar stocks and new crop supplies which will be available for marketing after January 1, 1935. The program for the orderly marketing of supplies is to be undertaken in connection with administration of the quota system for insular and foreign sugars provided for by the Costigan-Jones Act. Under the Costigan-Jones Act sugar supplies in excess of the 1934 marketing quotas cannot be marketed before January 1, 1935. Much of this sugar is stored in warehouses in this country for distribution after January 1, 1935. The program under consideration contemplates controls which will prevent release of excessive amounts which the market cannot absorb. It is intended to provide for even distribution of the aggregate supplies available for the first half of the year to prevent the usual seasonal pressure of other years. Administration officials also announced that the basic adjustments which are necessary to bring sugar production into balance with the marketing quotas determined pursuant to the Costigan-Jones Act are already under way in most of the principal producing areas. Developments as outlined for the various areas are as follows: For the Philippine Islands, the crop for 1934-35 is to be reduced approximately by the equivalent of 650,000 tons of sugar, from approximately 1,550,000 tons to 900,000 tons. The benefit payment contract which will be used to bring about this reduction has been submitted by the Governor General and is awaiting final approval by the Secretary of Agriculture. For Puerto Rico a plan is being developed for the adjustment of 1934-35 and subsequent production. This adjustment seeks to balance production with the Puerto Rico marketing quota and local consumption. For Louisiana a production adjustment program under which growers receive benefits for maintaining production at approximately the average level for 1935 and 1936 is now under way. For the United States continental beet area a benefit contract is being developed, seeking to adjust sugar beet production to the marketing quota as established in the Costigan-Jones Act. As a result of the drought this year, it is anticipated that the carryover of beet sugar on January 1, 1935, will be approximately 1 million tons. This represents a reduction of approximately 400,000 tons in a year and is considered a normal stocks figure for the first of the year. In addition to the domestic and insular programs for production adjustment, imports of sugar from foreign countries, including Cuba, are limited by quotas. The production control programs for both beet and cane sugar are to be made effective through contracts entered into between the Secretary of Agriculture and individual producers. These contracts will provide for adjustment payments to growers from funds accumulated from the processing tax on sugar. The payment of benefits to producers is in accord with the policy of the Agricultural Adjustment Act to compensate producers for the readjustment required by the programs.

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CUBAN DIRECT CONSUMPTION SUGAR QUOTA ¾ FILLED

Between January 1, 1934 and September 8, 1934, a total of 300,000 short tons, raw value, of Cuban direct consumption sugars had been withdrawn from bonded warehouses or imported for consumption, leaving a balance of approximately 118,000 short tons, raw value, remaining on the 1934 quota for Cuban direct consumption sugars of 418,385 short tons, raw value, established under the Costigan-Jones Act which specifically limits imports of direct consumption sugar from Cuba to 22 percent of the total quota established for Cuba.

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SURVEY REPORT SHOWS LOW MILK PURCHASES

Widespread underconsumption of milk was indicated in a preliminary report submitted by the Consumers' Counsel of the Agricultural Adjustment Administration, to representatives of 12 leading national women's organizations. The report covered the largest survey of its kind ever undertaken. Conducted in 59 cities in 46 states, the survey collected data from 29,485 families, including 160,019 persons. Of this number 78,987 were children and 81,032 adults. The survey was limited to families with children in school and with incomes ranging from average to very low. The information obtained was gathered through questionnaires distributed in schools selected as typical for the purposes of the survey by local committees. Of the total 29,485 families included in the survey more than 14 percent reported that they bought no fresh milk at all. Average purchases of fresh milk by all of these families amounted to less than .6 of a pint per capita daily. The average family of 5.44 persons in the survey purchased 1.37 quarts of fresh milk a day. Its daily per capita purchases of fresh milk amounted to .52 of a pint. The survey showed that purchases of evaporated milk by the average famiy of average to low incomes amounted to 1.96 large cans and .61 of a small can per week. On the basis of weight these purchases amounted to 104.28 pounds a year, or 18.45 pounds per capita which is high compared with 12 pounds a year, the national per capita figure. The average per capita purchases including both fresh milk and evaporated milk are found to be very low when compared with the milk quantities specified by the typical diets prepared by the Bureau of Home Economics of the Department of Agriculture.

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TULSA MILK LICENSE AMENDED TO MARKET NEEDS

An amendment to the existing license for the Tulsa, Okla., milk sales area, designed to adjust the terms of the license to meet unusual and emergency conditions in the normal supply of Class 1 and Class 2 milk, will become effective September 16. The amendment adds a new section to the license providing that during any emergency period when normal milk supplies from producers are not sufficient for Class 1 and Class 2 requirements, any distributor upon application to the market administrator may buy milk for emergency use in Class 1 and Class 2 sales on terms and conditions other than those defined in the license. However, the prices paid for such emergency milk must not be less than the equivalent of the prices established in the license. Such milk may not be included in the general equalization pool, but must be reported separately to the market administrator, with the amounts and prices paid for same. In the case of producer-distributors the amendment permits the disposal of what reserve supplies they may have on hand to other distributors at more than the Class 3 price specified in the license for such sales. The amendment covers only the emergency period and does not change any of the standard provisions of the license.

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HEARING TO AMEND HATCHERY CODE

A public hearing on proposed amendments to the commercial and breeder hatchery industry code will be held at the Mayflower Hotel, Washington, D. C., September 19. The proposed amendments include provisions for labeling of containers for hatchery products, notifications to customers concerning shipping dates, substitution of chicks, restricted settings, and auction sales regulations.

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NEWS DIGEST

AGRICULTURAL ADJUSTMENT ADMINISTRATION

VOLUME 1, Number 51 September 22, 1934

PLANS FOR CORN-HOG REFERENDUM UNDERWAY

Arrangements for holding the referendum meetings of corn-hog producers on plans for 1935 are under way in the principal corn and hog producing areas. During the coming week State corn-hog committeemen and extension workers will hold district meetings at which the current economic situation, the outlook for 1935 and the plans for taking the referendum will be discussed with county corn-hog officials. Two questions will be considered and voted on by written ballot by corn-hog producers at the community meetings: 1. Do you favor an adjustment program dealing with corn and hogs in 1935? 2. Do you favor a one-contract-per-farm adjustment program dealing with grains and livestock to become effective in 1936? Each question will be voted on separately and the results relayed to the Agricultural Adjustment Administration. The Administration especially wishes to be guided by the decision of producers who have had the benefit of a year's experience in the 1934 corn-hog program. These contract signers total 1,200,000 and represent between 80 and 85 percent of the commercial corn and hog production of the United States. A separate poll of non-signers who produced at least ten acres of corn for grain in 1934, or who produced hogs for market in 1934, may be taken at the option of county corn-hog control associations.

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CATTLE PURCHASES TO TOTAL 6½ MILLION HEAD BY SEPT. 29

Approximately 6,500,000 head of drought cattle will have been purchased by the Government by September 29 when present cattle purchase quotas expire. Purchases amounted to 5,900,000 head at the close of business Sept. 17. Further purchases will be made only in acute areas and only from producers with insufficient feed. Buying has been temporarily halted in nine drought states, but is proceeding in varying volume in the other states until September 29. Any authorizations and quotas for purchases after that date will be issued several days in advance in order that there will be no interruption in the program. Officials wish to study the livestock feed situation closely and make an adequate appraisal of the stocks of feed on hand, to ascertain how readily it can be moved into the areas where it is needed. On the basis of this study the future policy with regard to cattle purchases will be determined. Also, present allotments of money for this purpose are limited, and thus no further allotments are planned until the need for further purchases has been carefully studied. An important reason for reducing the volume of purchases is that the government does not wish to reduce numbers of good breeding stock below the safety mark. Cattle purchases have been practically completed in Arizona, Arkansas, California, Illinois, Iowa, Minnesota, Oregon, Utah, and Louisiana. Processing of the drought cattle for relief purposes continues. Approximately two and three quarter million head have been processed. Additional millions on pasture await processing.

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PRODUCERS MAY OBTAIN COTTON POOL ADVANCE

Forms are being prepared for distribution to county agents in the Cotton Belt to enable 455,000 members of the cotton producers pool, holding certificates covering 1,950,000 bales of cotton, to obtain an additional advance of two cents a pound or to offer their certificates to the pool for sale. It is believed that the majority of the certificate holders will obtain the advance of two cents per pound and retain their interest in the pool, obviating the necessity of disposing of any large quantity of the cotton held in the pool. Arrangements have been completed for the sale of all low grade, non-tenderable, cotton in the pool to the Federal Surplus Relief Corporation for use in relief activities. This sale will reduce by that amount, the quantity of cotton which it may become necessary to market. The pool manager reserves the right to reject the certificates or withhold purchasing them until market conditions justify accepting them and selling the cotton. Holders who desire to sell will procure form C-5 F from their county agent, fill it in, attach the participation trust certificate and mail it to the Manager, Cotton Pool, Agricultural Adjustment Administration, Washington, D. C. From the purchase price there will be deducted 10 cents per pound, to cover the obligation of the certificate holder to the pool, and 6 points or 30 cents per bale per month from February 1, 1934, to cover carrying charges. Form C-5 H, is for those certificate holders who wish to request the pool manager to advance 2 cents a pound or $10 per bale on their certificate, and to retain their interest in the pool. The advance will be $7.60 per bale, net, as $2.40 is deducted for carrying charges up to October 1.

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DETAILS OF 55-CENT CORN LOANS ANNOUNCED

Details of a new corn loan plan, providing for loans of 55 cents per bushel at 4 percent on 1933 and 1934 corn stored on farms according to state warehousing requirements have been announced. Five principal points in the new program are: (1) The new loan value is 55 cents per bushel as compared to 45 cents last year; (2) the maturity date of the new loans will be June 30, 1935; (3) holders of notes may call the loans while corn is at or above 85 percent on the Chicago market; (4) the borrower will be required to take out primary insurance covering fire, lightning, and windstorm on the corn on which loans are made; (5) old corn, stored in temporary or unsuitable cribs will not be accepted for loans. Loans will be available in Colorado, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, Ohio, and South Dakota. Corn must be No. 4 ear corn, or better. Old loans will not be extended beyond Oct. 15, 1934. Borrowers may take up their old loans, or repledge the corn under the new loan program, but corn pledged under previous loans must be reinspected and resealed for new loans before Oct.15,1934. The call provision was incorporated to prevent "freezing" the corn supply if a serious shortage should develop. The Commodity Credit Corporation has arranged special insurance at a rate of 75 cents per hundred dollars of value, to cover fire, lightning, windstorm, tornado, and hail. The new provision enables producers to insure the loan value and also equity in the corn, at half the cost of last year. A commitment of 100 million dollars to finance the loan program has been obtained from the Reconstruction Finance Corporation by the Commodity Credit Corporation. It is estimated that 270 million bushels were under seal at the high point. As of September 18, a total of $76,060,469.90 of the 1933 corn loans had been repaid, and $45,047,-701.66, representing 100,106,000 bushels of sealed corn, remained outstanding.

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LIVESTOCK FEED AGENCY IS ESTABLISHED IN KANSAS CITY

The Federal Livestock Feed Agency has been established at Kansas City, to function in the program to assure adequate supplies of livestock rations for the drought areas during the winter. The agency will clear information on hay, grain, forage and other feeds for livestock. It will gather data on location of feed supplies in areas where there is a feed surplus, and on needs in deficit areas. Contact will be made with producers, manufacturers and distributors of feed to arrange for distribution and to assist in directing applicants for feed to the best sources of supply. County agricultural committees will notify the agency of requirements for their counties which must be obtained from outside areas. The agency will then be able to inform inquirers where the best supplies of feeds, with respect to price, quality, suitability and shipping costs, can be obtained. Information will be distributed in the drought areas regarding corn fodder, soybean, lespedeza and other forage crops that have been purchased or upon which the Government has placed a guaranteed price. Prices for corn fodder and corn stover in connection with the program to provide a market for these products have been revised. The new schedule lowers the minimum prices on fodder by 50 cents and increases the maximum on stover by 50 cents. Under this program to encourage producers to harvest, cure ,and prepare corn fodder and stover to help the feed situation, the Government will buy such amounts of these products, in Illinois, Iowa, Minnesota, Indiana, Missouri, and Ohio, as have been harvested under individual contracts with farmers and within allotments to them, and which remain unsold on April 1, 1935.

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HATCHERY CODE CHANGES SUGGESTED AT HEARING

Methods for preventing unfair methods of competition and destructive price-cutting at chick auctions were proposed by the industry at a public hearing on proposed amendments to the hatchery code, which closed at Washington on Sept. 19. One amendment proposed to change the provisions prohibiting sales below the producers' or sellers' cost of production. Industry representatives from Pennsylvania contended that a minimum price clause was necessary to the code to avoid price cutting and unfair competition at auctions. Opponents of the proposed amendment declared that establishment of a minimum price would endanger the value of chick quality and price gradings, as it would tend to become the standard price. Other proposed amendments and changes in the code would require the hatchery's code number on all advertising matter, and on shipments of chicks, substitute a 72-hour notice limit for acknowledgment of orders and receipts to customers in lieu of the proposed 24-hour limit; change the method of selecting the coordinating committee in order to obtain more equitable representation of the industry, and change the terminology of the code to bring it unto conformity with the proposed national plan for uniform poultry terminology.

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MILK LICENSE HEARINGS SCHEDULED IN GEORGIA

Hearings on proposed milk licenses for the sales areas of Atlanta and Macon, Ga., are scheduled to be held in Atlanta on Sept. 24, and in Macon on Sept. 27. The sales area for Atlanta includes all of the city proper and territory in DeKalb, Fulton and Cobb counties. The request for a license was made by the Georgia Milk Producers Confederation and the Cooperative Raw Milk Association, representing about 95 percent of the milk volume on the market. The license is drafted to include an equalization pool with base and surplus method of payment to producers. No resale prices to consumers are contained in the license. The Macon sales area named in the proposed license includes the city of Macon and Godfrey, Howard, East Macon and Vineville in Bibb county. The license was requested by the Bibb County Dairymen's Association, which handles 95 percent of the volume for the area. The market plan defined in the proposed license is a straight equalization pool without base and surplus.

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PROGRAM TO AID SUGARCANE SYRUP

A program for commercial producers of sugarcane for syrup is being developed by the Agricultural Adjustment Administration Sugar Section. It is anticipated that the syrup program will include a contract whereby payments may be made to cooperating eligible growers who deliver cane to syrup mills in 1934. Questionnaires have been sent to syrup mills in order to obtain basic information on the tonnage of cane purchased for syrup, the number of gallons of syrup made by mills operating on a gallonage basis, and other data. It was also announced that payments to eligible sugarcane producers in Louisiana, whose cane is used for syrup by mills ordinarily making sugar, would be made under an adjustment program for Louisiana which is now under way. Other eligible producers of sugarcane for syrup in Louisiana and other states will receive payments through the regular sugarcane-for-syrup program announced herewith. Syrups made from sorghum cane are excluded from the sugar operations under the Costigan-Jones Act.

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BEET CONTRACTS FOLLOW ALLOTMENTS

California sugar beet processors have agreed to withhold 1935 beet purchase contracts until growers' acreage allotments have been developed by the Agricultural Adjustment Administration. Acreage allotments are to be included in the adjustment contracts between the growers and the Secretary of Agriculture, under which cooperating growers will receive benefit payments. To allow growers the maximum acreage permitted under the marketing allotments to processors and to enable the processors to obtain sufficient acreage to produce their full marketing allotments, it would be necessary for cooperating growers in California to decide by November 1 their plans for growing beets in 1935. In case growers' acreage allotments established by the Secretary for California are not contracted for by November 1, unused allotments are to be realloted, subject to the Secretary's approval, to old cooperating growers desiring to increase their allotments, or to new growers. The acreage to be planted in each factory district is to be sufficient to produce, on the average, the sugar which such factory district will produce within its marketing allotment for 1935.

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PHILIPPINE SUGAR HEARING HELD SEPTEMBER 18

A public hearing on a proposed marketing agreement and license covering sugar in the Philippine Islands, was held in Manila, Sept. 18. Under the proposed agreement sugar millers would agree to mill only cane within amounts allotted to them, and to mill no cane for any planter without a definite allotment. Millers would also cease milling cane for any planter when the allotment for that planter had been filled. Refiners would agree to manufacture refined sugar only in amounts allotted to them for shipment to the United States and local needs. Handlers would agree to transport or market into the continental United States only raw or refined sugar identified with a quota. Contracting parties would also agree not to ship sugar into the continental United States from Oct. 15, 1934, to Dec. 31, 1934. The proposed license would contain substantially the same provisions as the marketing agreement and would apply to all millers, refiners, and handlers of centrifugal sugar in the Philippine Islands.

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PLAN APPROVED FOR ELECTING NEW MILLING CODE AUTHORITY

A code authority election plan submitted by the temporary code authority for the wheat flour milling industry has been approved by the Secretary of Agriculture and the Administrator of the National Recovery Act. Under this plan the country is divided into 10 regions from which a code authority of 16 members is to be chosen. The election of the new authority will be held by Nov. 1. Each miller voting for regional representation, votes in proportion to his output for the last calendar year. Each member of the industry is entitled to one vote for each 10,000 barrels or less of annual output for the last preceding calendar year, provided code obligations have been met. No mill is to have more than one representative on the code authority even though it may have producing plants in more than one region. Regions having a daily capacity of approximately 150,000 barrels of flour are entitled to three members; regions having a daily capacity of approximately 100,000 barrels are entitled to two members; regions of substantially less than 100,000 barrels daily capacity are entitled to one member. On this basis, the Northwest and Southwest regions will be represented by three members each; the North Central and Northeastern by two members each; and the Piedmont, Southeast, South Central, Texas-Oklahoma, Inter-Mountain, and Pacific Northwest regions by one member each.

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BEET LABOR HEARINGS IN MICHIGAN, COLORADO.

In formulating the labor policy to be followed in the sugar beet program, a public hearing on proposed labor provisions of the sugar beet benefit contract for Michigan was held at East Lansing, Mich., Sept. 21. A Colorado hearing is scheduled for Sept. 25, in Denver. The proposed labor terms of the contracts are: (a) The prohibition of the labor of children, other than the children of the grower, under the age of fourteen, and the regulation of the labor of children, other than the children of the grower, under the age of sixteen in the cultivation and/or harvesting of sugar beets; (b) agreement by the grower that he will abide by the decision of the Secretary of Agriculture with respect to minimum wages for workers employed for the seasons of 1935 and 1936, such decision of the Secretary to be rendered after due notice of an opportunity to be heard at a public hearing; (c) agreement by the grower that he will abide by the decision of the Secretary of Agriculture with respect to any labor dispute involving the grower in connection with the cultivation and/or harvesting of sugar beets of the grower when any such dispute has been presented to the Secretary by the grower or any other party and the Secretary has determined to adjudicate such dispute; and (d) proper provision to be made for the payment by the grower to workers of any compensation properly due to workers in connection with the cultivation and/or harvesing of sugar beets in 1934. The Secretary proposes not to set minimum wages until after further public hearings have been held. To avoid delay, it is proposed that for this season the benefit contract contain a provision that growers who sign contracts will be eligible for benefit payments only if they can show that they have tendered to workers written contracts providing for the payment of fair and equitable wages.

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TURPENTINE LICENSE AMENDMENTS NAMED CONTROL COMMITTEE

A control committee of five members, and alternates was selected at a public hearing in Washington, Sept. 20, to be named in the proposed amended license for the processors of wood turpentine and wood rosin. Other suggestions at the hearing were designed to state more clearly the provisions for establishing marketing quotas for the industry as a whole and for individual processors.

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CORN-HOG PAYMENTS EXCEED 78 MILLION

Up to September 14 rental and benefit payments to contracting corn-hog producers totaled slightly in excess of $78,500,000. This represents nearly 60 percent of the total first instalment of approximately 133 million dollars due farmers participating in the 1934 corn-hog adjustment program. Thus far checks have been mailed to over 800,000 contract signers in 39 states. From Sept. 8 to Sept. 14, inclusive, corn-hog adjustment payments approximated $15,867,259, the preliminary report shows. In one day, Sept. 12, checks totaling over $3,700,000 were mailed to more than 38,500 producers. Payments up to September were made to producers in 39 states as follows: Alabama, $183,604.90; Arizona, $17,168.00; Arkansas, $301,156.30; California, $709,160.60; Colorado, $138,178.45; Connecticut, $2,001.75; Delaware, $12,883.85; Florida, $117,257.15; Georgia, $63,526.95; Idaho, $34,819.10; Illinois, $3,107,859.05; Indiana, $6,427,190.80; Iowa, $20,541,771.32; Kansas, $4,404,335.00; Maryland, $119,290.60; Massachusetts, $150,678.60; Michigan, $153,849.45; Minnesota, $5,072,151.55; Missouri, $7,771,464.08; Montana, $86,513.65; Nebraska, $7,177,712.80; Nevada, $25,079.85; New Hampshire, $1,468.00; New Mexico, $83,342.10; New York, $5,217.80; North Carolina, $26,398.60; North Dakota, $259,331.65; Ohio, $6,862,953.80; Oklahoma, $245,239.65; South Carolina, $152.50; South Dakota, $4,198,942.00; Tennessee, $151,336.80; Texas, $743,210.55; Utah, $61,801.85; Vermont, $3,698.00; Virginia, $610,132.70; Washington, $285,193.40; West Virginia, $69,810.60; Wisconsin, $2,330,863.05.

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CODE FOR COTTON WAREHOUSES SEEKS IMPROVED PRACTICES

Elimination of unfair practices in the cotton compress and warehouse industry is sought in the proposed code of fair competition for the industry, on which a public hearing is to be held in Washington, Sept. 25. Among the practices which the industry seeks to prohibit through the code are the taking of excess samples, false weighing, the extension of unwarranted credit, the classing of cotton by other than official classers, the issuing of tags without actual cotton being stored, and deception and subterfuge. Amendments and additions to the code would limit the persons who have access to cotton in warehouses; would prohibit the "stretching" of warehouse capacity by storing cotton in unfit warehouses or outside; would have rates reported quarterly and published; and would have the proceeds from "loose cotton" prorated among those who use the warehouse.

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COMBINED ADJUSTMENT-PARITY PAYMENTS TO COTTON GROWERS

The "parity" payment, due cooperating cotton producers during December, will be combined with second installment of the rental payment and both will be distributed, beginning in October, it was announced by the Agricultural Adjustment Administration. The "parity" payments to contracting cotton producers, calculated on the basis of 1 cent a pound on the estimated share of each farmer's average past production which went into domestic consumption, total 28 million dollars and the second installment of the rental payment is approximately $44,500,000. By combining the payments, approximately $72,500,000 will be distributed to the contracting cotton producers this fall. The payments were combined so that the distribution might be made more easily and promptly. Of total 1934 benefits, estimated at $117,052,539, payments on the first installment totalled $41,061,775 up to Sept. 4, leaving a total of $75,990,764 yet to be made to farmers on the 1934 cotton programs.

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BALTIMORE MILK LICENSE CHANGED BY AMENDMENT

An amendment to the license for the Baltimore milk sales area, to include baker and confectionery milk in the Class 1 price schedule, and to establish a slightly lower price for Class 3 milk has been completed to go into effect at 12:01 a.m. September 24. Class 1 and Class 2 milk remain respectively at $3.02 and $2.20 per 100 pounds of 4 percent milk, f.o.b., distributors' plants. The reduction was requested by the Maryland State Dairymen's Association on the contention that Class 3 milk, which is largely converted into cream for ice cream purposes, will not sell for the price of the former schedule. As the producers' association has been able to get Class 1 price for whole milk sold to bakers and confectioners, such sales have been specifically placed in Class 1 in the amendment.

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HOLD FINAL CONFERENCE OF SUGAR BEET PROGRAM

Representatives of sugar beet producers in important beet areas will meet in Washington, September 24, to confer with officials of the Agricultural Adjustment Administration on the beet sugar program. Preliminary conferences with the industry have been held. After consideration by the producers' representatives, the sugar beet contract will be put in final form and offered to growers.

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FULL BASE PRICE ON SALE FOR SOUTHERN RICE QUOTA ELIGIBLE

Southern rice producers will receive the full base price, at time of sale for production alloted under the rice adjustment program, according to the terms of Rice Administrative Order No. 2, which supplements the check-off method of payment provided in the marketing agreement for southern rice. This makes it possible for producers to receive 100 percent of the base price stipulated in the agreement when they deliver their individual quotas of rough rice to mills. Quota cards will be issued by the Rice Section to every producer to whom a quota for production has been assigned.

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NEWS DIGEST
AGRICULTURAL ADJUSTMENT ADMINISTRATION

VOLUME 1, Number 52 September 29, 1934

CATTLE AND FEED PROGRAM MOVES FORWARD

Authorizations to purchase approximately 522,000 head of cattle in 18 drought states, in addition to those acquired under quotas which expire September 29 have been issued by the Agricultural Adjustment Administration. The new authorizations, which will expire October 13, will bring the total expenditures in operations to remove cattle from drought areas to about 92 million dollars and will bring the total number of cattle acquired for processing into relief supplies to about 7 million head. The quotas make possible the purchase of 475,000 head of drought cattle in Colorado, Kansas, Missouri, Montana, Nebraska, Nevada, New Mexico, North and South Dakota, Oklahoma, Texas, Utah and Wyoming; and allow the buying of 47,000 head in Arkansas, Minnesota, Oregon, Wisconsin and Louisiana. Cattle purchases will be limited to most distressed areas and stock will be bought only from producers definitely unable to provide adequate feed supplies for their animals. While emergency operations in the removal of livestock from drought areas are being "tapered off", the other phases of the drought relief program to conserve feed supplies, and to facilitate the distribution of feed and forage to drought areas, are progressing rapidly. A special survey of farm feed supplies, covering all classes of feeds, is now being completed to be used as a basis for operations to conserve and distribute feeds. This will be supplemented by regular periodic surveys to locate surplus stocks of grain and hay actually available for shipment. At present no arrangement had been made for direct purchase of feed by the Federal Livestock Feed Agency at Kansas City. The services of this office are purely informational in character, and should any direct procurement of feeds be undertaken at a later date, it would be handled by other units of the feed agency. The $50,000 000 loan that has been tentatively arranged with the Reconstruction Finance Corporation, primarily is to provide funds to underwrite the program of conservation of emergency and substitute feeds.

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REFERENDUM MEETINGS ON CORN-HOG PLAN

More than 15,000 community meetings, sponsored by the corn-hog production control associations, will be held throughout the country during the next two weeks in connection with the corn-hog program referendum. Reports received by the Agricultural Adjustment Administration show that more than a thousand of these local corn-hog producer meetings are scheduled for each of the nine leading corn and hog producing states. Iowa, the Nation's ranking corn-hog state, will hold more than 1,500 community meetings. Estimates received for other states which lead in number of corn-hog contract signers are: Illinois, 1,400 local meetings; Nebraska, Missouri and Minnesota, 1,300 meetings each; Texas, 1,200; Kansas, 1,100; Indiana and South Dakota, 1,000 or more. Opportunity for every farmer who is participating in the current corn-hog adjustment program to study the corn-hog situation and outlook, and vote on whether he favors an adjustment program dealing with corn and hogs in 1935, will be provided at these local meetings which are being called by the corn-hog production control associations.

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BUY SHEEP AND CATTLE IN DROUGHT AREAS

A total of 6,074,808 cattle and 571,332 ewes were purchased up to September 24, under the Agricultural Adjustment Administration's plan to buy cattle and sheep in the drought-stricken areas of western states. Cattle purchase and benefit payments totaling $60,491,464, representing the cost of acquisition of 4,478,290 head, have been certified. The average cost per head of cattle is $13.54. Vouchers have been issued for service disposition payments and purchase payments for 6,755 head of sheep, representing a total of $13,570. Cattle purchases by states, through September 24, are: Arizona, 62,325; Arkansas, 76,189; California, 18,490; Colorado, 188,259; Idaho, 28,067; Illinois, 2,534; Iowa, 17,639; Kansas, 368,965; Minnesota, 225,414; Missouri, 385,713 Montana, 289,789; Neb-20,662; New Mexico, 354,739; North Dakota, 932,428; Oklahoma, 261,000; Oregon, 7,870; South Dakota, 784,716; Texas, 1,406,620; Utah, 93,339; Wisconsin, 50,454; Wyoming; 187,968. The following purchases of sheep had been made; Colorado, 22,294; Montana, 43,152; Nebraska, 6,522; Nevada, 3,551; Oregon, 104,915; South Dakota, 3,935; Texas, 193,565; Utah, 1,549; Wyoming, 191,849. Cattle and sheep purchased by the Agricultural Adjustment Administration are turned over to the Federal Emergency Relief Administration for relief uses.

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NEW YORK LIVE POULTRY INSPECTION IN CODE

Amendments to the New York live poultry code including one concerning inspection, became effective September 25, the Agricultural Adjustment Administration announced. The amendment regarding inspection of poultry does not alter the procedure of inspection. At the time the code became effective, the New York City Department of Health required the inspection of all poultry shipped into the Metropolitan market. Such inspection was carried on by licensed inspectors of the United States Departemnt of Agriculture. Since the operation of the code, this inspection law has been revoked, and the amendment has been placed in the code to insure the continuance of all inspections. Other amendments include requirements for filing and posting prices by slaughter house operators, provisions for a weekly report by the code supervisor to the Secretary on the operations and effects of the price posting provisions on wholesale and retail price, and a deffinition of trade buyers to include a commercial buyer as distinguished from an ultimate consumer.

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AMEND TWO MILK LICENSES

Amendments to the Boston, Mass., and Fort Worth, Texas, milk license will become effective October 1. The Boston amendment increases the Class 1 milk price from $2.95 per 100 pounds to $3.26. The new price is about 80 percent of the price received by these producers on the average in 1927-29. It is at least 50 percent higher than the price for Class 1 milk in Boston at the low point in May, 1933, prior to any Federal license. The Fort Worth amendment is designed to place the Class 3 milk price more nearly in line with competitive conditions. The Class 3 price is raised from about $1 per 100 pounds to about $1.30.

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REGULATIONS ON TOBACCO PROCESSING TAX RATES

New regulations adjusting the rates of processing taxes on Maryland and Burley types of tobacco were announced by the Agricultural Adjustment Administration. The 1.7 cents a pound (farm sales weight) processing tax on Maryland tobacco is reduced to zero while the 2 cents a pound (farm sales weight) processing tax on Burley is increased to 6.1 cents a pound, except on Burley used in the manufacture of plug chewing tobacco and twist, on which the processing tax is established at 4.1 cents a pound. The new regulations consolidate all previous regulations on tobacco and become effective October 1. No change is proveded in the rates of processing taxes on types of tobacco other than Maryland and Burley. New conversion factors are established for articles processed from Maryland, Burley, flue-cured, fire-cured and dark air-cured tobacco. These conversion factors are for use in determining the amount of taxes and refunds other than on floor stocks. The existing conversion factors for goods processed from Maryland, Burley, flue-cured, fire-cured and dari air-cured tobacco are made applicable for use in determining taxes and refunds on floor stocks only, and no changes are made in these except in the conversion factors applied to twist chewing tobacco and other chewing tobacco.

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PAYMENTS ON EXCESS 1934 PUERTO RICAN SUGARCANE

Puerto Rican sugarcane growers who cooperate in the sugar adjustment program now under way, will receive adjustment payments of $4 per short ton for that part of their cane of the 1934-35 crop which, because of the sugar program, is not processed, the Agricultural Adjustment Administration announced. The Puerto Rican sugar program for 1934-35 seeks to hold production to the quota of 802,842 short tons raw value, plus local consumption needs. To qualify for such adjustment payments, the grower must show that the cane not processed is of usual grinding quality, and it must be made unfit for processing into sugar by cutting or by such other methods as may be approved by the Secreatry of Agriculture. Methods of processing excess cane into molasses for feeding to livestock are being studied by the Department of Agriculture in order to determine whether some of the contracted cane may be utilized in this way. Contracts are to be offered to growers in the near future. Any grower who does not wish to wait until after the grinding season is under way to reduce his production, may do so as soon as his contract is accepted. He may reduce his production by taking out of cultivation sufficient cane to bring his crop to approximately his allotment level. Cane so taken out of production will be paid for at the established price of $4 per ton, based on estimated weight of the crop at maturity. Individual allotment figures for 1934-35 are now being computed in the San Juan office of the Agricultural Adjustment Administration. When this computation is completed, public hearings on the allotments will be conducted in Puerto Rico. Officials of the Agricultural Adjustment Administration in cooperation with representatives of Puerto Rican sugar and cane producers are continuing to study ways and means of eliminating surplus sugar remaining from 1933-34, and it is expected that an early announcement will be made on this phase of the problem.

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PECAN AGREEMENT HEARING OCTOBER 1

A public hearing on a proposed marketing agreement and issuance of a license for the paper shell pecan marketing industry in North Carolina, South Carolina, Florida, Georgia, Alabama, Mississippi, Louisiana, Texas, Oklahoma and Arkansas, will be held at the Gay Teague Hotel, Montgomery, Ala. October 1. The proposed agreement, which covers improved variety or paper shell pecans and seedling pecans, contains provisions for surplus control to bring the quantity shipped in accord with market demand.

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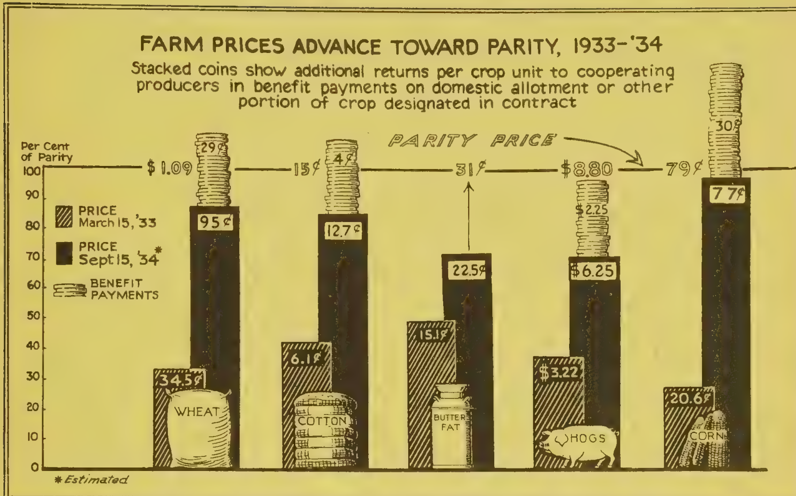

The real price (farm price plus benefit payments) that farmers are receiving for their allotted production of major farm products in terms of parity shows marked improvement. The figures along the parity price line of the above graph represent the amounts per unit farmers must receive before their products will have as great exchange value as they did in the parity years 1910-14. A part of the rise in farm prices (exclusive of benefit payments) between March 1933 and September 1934 is due to the 1934 drought and this portion of the rise would prove temporary if 1935 growing conditions are more nearly normal.

PROCESSING TAX RATE ESTABLISHED FOR PEANUTS

The establishment of a processing tax of one cent a pound, farmers' stock weight, on peanuts, the suspension of the imposition of such tax on peanuts used in the manufacture of peanut oils, a class of low value peanut products, and the termination of the floor stocks tax with respect to peanuts, were announced by the Agricultural Adjustment Administration. The tax ,effective October 1, is levied on the first domestic processing of peanuts, which is defined as the "cleaning, polishing, grading, shelling, crushing or other processing thereof." The processing tax of one cent a pound is only a little more than one-third of the full statutory processing tax on peanuts as calculated under the terms of the Agricultural Adjustment Act. The full statutory rate is 2.8 cents a pound, which is the difference between the current average farm price of 2.8 cents a pound and the fair exchange value of 5.6 cents a pound.

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GROWERS CONFER ON SUGAR BEET PLAN

Representatives of sugar beet growers in all producing sections of the country have approved, with slight modifications, the proposed sugar beet benefit contract which is to be presented to the growers within two or three weeks, and have expressed their confidence in the whole sugar program. On September 24 and 25 they discussed the contract with officials of the Agricultural Adjustment Administration. California growers went over the contract with officials a few days previously and are in general accord with its provisions. The growers present selected two of their representatives to remain in Washington a few days to help with final details of preparing the contract for printing. It was the desire of the sugar section that growers' representatives be present for this work. The final form is now being drafted and upon its approval by the Secretary of Agriculture it will be rushed to the growers for signatures.

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SEEK EARLY DISTRIBUTION COTTON ALLOTMENT RESERVE

With allotment of permanent tax-exemption certificates under the Bankhead Act completed in several states and many counties, state allotment committees were instructed to re-double their efforts to complete individual allotments so that distribution of the special 10 percent state reserve can be started. This special reserve, provided for in the Bankhead Act, is 10 percent of the total amount of cotton alloted to each state. This reserve is in addition to the amounts already apportioned to the counties and was designed to correct inequities arising in individual cases. No additional applications will be required in connection with this reserve as the applications already submitted or being submitted, contain the necessary information upon which to make distribution. This 10 percent, however, can not be apportioned until all individual applications from all the counties in a state have been received. Under the terms of the Act (Section 8), this reserve allotment is to be apportioned in each state as follows: "(a) To producers of cotton on farms where for the preceding three years less than one-third of the cultivated land on such farms has been planted to cotton; (b) to producers of cotton on farms not previously used in cotton production; (c) to producers of cotton on farms where, for the preceding five years, normal cotton production has been reduced by reason of drought, storm, flood, insect pests, or other uncontrollable natural cause; and (d) to producers of cotton on farms where, for the preceding three years, acreage theretofore planted to cotton has been voluntarily reduced so that the amount of reduction in cotton production on such farms is greatly than the amount which the Secretary finds would have been an equitable application to such farms in carrying out a reasonable reduction program."

EXPLAIN COTTON TAX-EXEMPT CERTIFICATE POOL OPERATION

Cotton states whose production this year, according to official crop estimates, will exceed their Bankhead Act allotment will need to purchase only enough tax-exemption certificates to cover 431,223 bales of this extra production, whereas states whose production will be less than their Bankhead allotments will have for sale surplus certificates for the 1,639,474 bales difference between their production and their allotments. Consequently, while every effort will be made to secure as large a return as possible for holders of excess cotton tax-exemption certificates, the Agricultural Adjustment Administration reiterated that it would be mathematically impossible for each certificate turned into the national surplus cotton tax-exemption certificate pool to net its owner anywhere near as much as $20 a bale. On the basis of the September 1 cotton crop estimate, states with estimated cotton production below their Bankhead allotments and the indicated excess in one-bale certificates are: Florida, 1,683; Mississippi, 59,728; Louisiana, 89,028; Texas, 854,530; Oklahoma, 358,631; Arkansas, 241,669; Missouri, 34,205. Total 1,639,474 certificates. States with estimated cotton production above their Bankhead allotments and the indicated deficit in one-bale certificates are: Virginia, 6,177; North Carolina, 127,307; South Carolina, 100,791; Georgia, 58,346; Tennessee, 17,875; Alabama, 80,625; New Mexico, 13,305; Arizona, 13,463; California, 8,795; all other minor cotton states, 4,539. Total 431,223 certificates. The Government will not purchase any of these surplus certificates, but all of the money taken in by the pool from the sale of surplus certificates will be distributed among producers who surrender certificates to the pool, after deducting expenses, and each producer will receive his share in the proportion that the poundage surrendered by him bears to the total poundage in the national pool. The surplus certificates that are not sold will be returned, on a similar pro rata basis, to the producers participating in the pool. They may be used next year in the event the Bankhead Act is continued another season. In the case of purchases and sales of surplus tax-exemption certificates within a county, the owner of the excess certificates will receive the full amount of 4 cents a pound, or approximately $20 a bale, for any certificates he may sell. Regardless of whether sales are between individuals or through the pool, the purchaser must pay the full four cents a pound rate. This payment must be made in cash except on individual sales made within a county when other considerations of equal value may be exchanged for certificates. All transactions must be made through the office of the county assistant in cotton adjustment.

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HEARINGS ON SOUTHWEST POTATO AGREEMENT

Four public hearings on a proposed marketing agreement for early potatoes grown in Louisiana, Alabama, Arkansas, Mississippi, Tennessee, Oklahoma, Texas, and two counties of Florida, will be held at the City Hall, Muskogee, Okla. October 1; at the Court House, Wharton, Texas, October 4; at the Masonic Temple Building, New Orleans, La. October 8; and at the Legion Hall, Foley, Ala. October 11, the Agricultural Adjustment Administration announced. The proposed agreemtnt contains provisions for a seasonal quota to be set between October 1 and October 15 of each year for the succeeding season. This quota would be set at a joint conference of the control committee provided for in the agreement and the control committee of the Southeastern potato agreement upon adoption of a similar amendment in the Southeastern potato agreement. The agreement would provide for periodic suspension of digging which would not exceed 48 hours and would be not less than five days apart.

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